UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended March 31, 2026
OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from________to________

Commission File Number: 001-39797

Upstart

Upstart Holdings, Inc.
(Exact name of registrant as specified in its charter)

Delaware	**46-4332431**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

Upstart Holdings, Inc.
2950 S. Delaware Street, Suite 410
San Mateo, CA 94403
(Address of principal executive offices, including zip code)
(833) 212-2461
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class:	Trading Symbol	Name of each exchange on which registered:
Common Stock, par value $0.0001 per share	UPST	Nasdaq Global Select Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of April 28, 2026 there were 95,711,569 shares of the registrant’s common stock outstanding.

Upstart Holdings, Inc.
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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, which statements involve substantial risks and uncertainties. Forward-looking statements generally relate to future events or our future financial or operating performance. In some cases, you can identify forward-looking statements because they contain words such as “may,” “will,” “should,” “expect,” “plan,” “anticipate,” “seek,” “could,” “would,” “intend,” “target,” “aim,” “project,” “contemplate,” “believe,” “estimate,” “predict,” “potential,” or “continue,” or the negative of these words or other similar terms or expressions that concern our expectations, strategy, plans, or intentions. Forward-looking statements contained in this Quarterly Report on Form 10-Q include, but are not limited to, statements about:

- our future financial performance, including our expectations regarding our revenue, operating expenses, and our ability to determine reserves and achieve and sustain profitability;
- our ability to improve the effectiveness and predictiveness of our AI models and our expectations that improvements in our AI models can lead to higher approval rates and lower interest rates;
- our ability to increase the volume of loans facilitated through our AI lending marketplace;
- our ability to successfully maintain a diversified and resilient loan funding strategy, including lending partnerships, whole loan sales, committed capital and other co-investment arrangements, warehouse credit and risk retention financing facilities, and securitization transactions;
- our expectations regarding the accuracy of, reliability of, and our accessibility to, loan applicant and borrower data and other third-party data;
- our capital allocation plans, including expectations regarding funding loans through our balance sheet and allocations of cash and timing for any share repurchases and other investments;
- our ability to maintain competitive interest rates offered to borrowers on our platform, while enabling our lending partners and institutional investors to achieve an adequate return over their cost of funding;
- our ability to successfully maintain, protect, and promote our brand and protect our reputation from negative publicity;
- our ability to increase the effectiveness of our marketing strategies, including our direct consumer marketing initiatives;
- our expectations regarding macroeconomic events, including inflation and related changes in interest rates and monetary policy;
- our expectations regarding the credit performance of Upstart-powered loans;
- our expectations regarding our application for a national bank charter, including its outcome, potential benefits, and potential delays or conditions;
- the impact of disruption in the banking industry, and any associated effects on our business and industry;
- our expectations and management of future growth, including expanding the number of potential borrowers;
- our ability to successfully adjust our proprietary AI models, products, and services, and provide up-to-date information to our lending partners, in a timely manner in response to changing macroeconomic conditions and fluctuations in the credit market;
- our compliance with applicable local, state, and federal laws;

- our ability to comply with and successfully adapt to complex and evolving regulatory environments, including regulation of artificial intelligence and machine learning technology;
- our expectations regarding regulatory support of our approach to AI-based lending;
- our expectations regarding the success of our strategic investments and acquisitions, including the integration of acquired operations, products, technology, internal controls, and personnel;
- our expectations regarding new and evolving markets and our ability to enter into new markets and introduce new products and services;
- our expectations concerning relationships with third parties;
- our ability to protect against increasingly sophisticated fraudulent borrowing and online theft;
- our ability to service our loans and pursue collection of delinquent and defaulted loans;
- our ability to successfully compete with companies that are currently in, or may in the future enter, the markets in which we operate;
- our ability to effectively secure and maintain the confidentiality of the information received, accessed, stored, provided, and used across our systems;
- our ability to successfully obtain and maintain corporate funding and liquidity to support continued growth and for general corporate purposes, which includes our ability to manage existing and future indebtedness;
- our ability to attract, integrate, and retain qualified employees;
- our estimates, judgments, and expectations regarding key operating metrics, disclosure controls, and internal control over financial reporting and operations;
- our ability to effectively manage and expand the capabilities of our operations teams, outsourcing relationships, and other business operations;
- our ability to manage security incidents and maintain our technology systems;
- our ability to maintain, protect, and enhance our intellectual property; and
- our expectations regarding outstanding litigation and regulatory investigations.

We caution you that the foregoing list may not contain all of the forward-looking statements made in this report.

Forward-looking statements should not be relied upon as predictions of future events. We have based the forward-looking statements contained in this report primarily on our current expectations and projections about future events and trends that we believe may affect our business, financial condition, results of operations, and prospects. The outcome of the events described in these forward-looking statements is subject to risks, uncertainties, and other factors, including those described in the section titled "*Risk Factors*" and elsewhere in this report. Readers are urged to carefully review and consider the various disclosures made in this report and in other documents we file from time to time with the Securities and Exchange Commission (the "SEC") that disclose risks and uncertainties that may affect our business. Moreover, we operate in a very competitive and rapidly changing environment. New risks and uncertainties emerge from time to time, and it is not possible for us to predict all risks and uncertainties that could have an impact on the forward-looking statements contained in this report. We cannot assure you that the results, events, and circumstances reflected in the forward-looking statements will be achieved or occur, and actual results, events, or circumstances could differ materially from those described in the forward-looking statements.

Neither we nor any other person assumes responsibility for the accuracy and completeness of any of these forward-looking statements. Moreover, the forward-looking statements made in this report relate only to events as of the date on which the statements are made. We undertake no obligation to update any forward-looking statements made in this report to reflect events or circumstances after the date of this report or to reflect new information or the occurrence of unanticipated events, except as required by law. Undue reliance should not be placed on our forward-looking statements as we may not actually achieve the plans, intentions, or expectations disclosed in our forward-looking statements. Our forward-looking statements do not reflect the potential impact of any future acquisitions, mergers, dispositions, joint ventures, or investments we may make.

In addition, statements that “we believe” and similar statements reflect our beliefs and opinions on the relevant subject. These statements are based upon information available to us as of the date of this report, and while we believe such information forms a reasonable basis for such statements, such information may be limited or incomplete, and our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all potentially available relevant information. These statements are inherently uncertain, and investors are cautioned not to unduly rely upon these statements.

Each of the terms the “Company,” “we,” “our,” “us,” and similar terms used herein refer collectively to Upstart Holdings, Inc., a Delaware corporation, and its consolidated subsidiaries, unless otherwise stated.

AVAILABLE INFORMATION

Our website is located at www.upstart.com and our investor relations website at ir.upstart.com. Copies of our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and amendments to these reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act, are available free of charge on our investor relations website as soon as reasonably practicable after they are electronically filed with, or furnished to, the SEC. The SEC also maintains a website that contains our SEC filings at www.sec.gov. The content of our websites and information that can be accessed through our websites is not incorporated by reference into this Quarterly Report on Form 10-Q or in any other report or document we file with the SEC, and any references to our websites are intended to be inactive textual references only.

We announce material information to the public about us, our products and services and other matters through a variety of means, including SEC filings, press releases, public conference calls, webcasts, the investor relations (ir.upstart.com) and newsroom (upstart.com/news) sections of our website, our X (formerly known as Twitter) account @Upstart, and Paul Gu’s X account @paulxgu, in order to achieve broad, non-exclusionary distribution of information to the public and for complying with our disclosure obligations under Regulation FD.

PART I. FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS

Upstart Holdings, Inc.
Condensed Consolidated Balance Sheets
(In thousands, except share and per share data)
(Unaudited)

	December 31, 2025	March 31, 2026
Assets		
Cash and cash equivalents	$ 652,388	$ 472,934
Restricted cash	404,624	458,400
Loans (at fair value)(1)	984,552	1,014,089
Property, equipment, and software, net	44,174	48,002
Operating lease right of use assets	16,410	13,605
Beneficial interest assets (at fair value)	396,216	474,796
Line of credit receivable (at fair value)	112,742	111,916
Notes receivable and residual certificates (at fair value)	97,416	105,066
Non-marketable equity securities	41,250	41,250
Goodwill	67,062	67,062
Other assets (includes $41,166 and $45,546 at fair value as of December 31, 2025 and March 31, 2026, respectively)	157,971	154,561
Total assets(2)	$ 2,974,805	$ 2,961,681
Liabilities and Stockholders' Equity		
Liabilities:		
Payable to investors	$ 107,659	$ 125,523
Borrowings	1,829,145	1,921,665
Payable to securitization note holders (at fair value)	46,542	39,188
Accrued expenses and other liabilities (includes $15,219 and $15,861 at fair value as of December 31, 2025 and March 31, 2026, respectively)	171,495	124,591
Operating lease liabilities	21,149	17,548
Total liabilities(2)	2,175,990	2,228,515
Commitments and Contingencies (Note 11)		
Stockholders' equity:		
Common stock, $0.0001 par value; 700,000,000 shares authorized; 98,033,361 and 95,708,872 shares issued and outstanding as of December 31, 2025 and March 31, 2026, respectively	10	10
Additional paid-in capital	1,156,361	1,097,358
Accumulated deficit	(357,556)	(364,202)
Total stockholders' equity	798,815	733,166
Total liabilities and stockholders' equity	$ 2,974,805	$ 2,961,681

(1) Includes $53.8 million and $44.9 million of loans, at fair value, contributed as collateral for the consolidated securitization as of December 31, 2025 and March 31, 2026, respectively. Refer to "Note 5. Fair Value Measurement" for details.

(2) The following table presents information on assets and liabilities related to variable interest entities ("VIEs") that are consolidated by Upstart Holdings, Inc. at December 31, 2025 and March 31, 2026, respectively. The liabilities of each VIE can only be settled using the assets of the corresponding VIE and creditors of these entities do not have recourse to the general credit of Upstart Holdings, Inc. The assets and liabilities in the table below exclude intercompany balances that eliminate in consolidation.

Upstart Holdings, Inc.

Condensed Consolidated Balance Sheets (Continued)

(In thousands, except share and per share data)

(Unaudited)

	December 31, 2025	March 31, 2026
Assets		
Cash and cash equivalents	$ 1,183	$ 1,636
Restricted cash	89,088	81,603
Loans (at fair value)	819,344	823,005
Other assets (includes $225 and $109 at fair value as of December 31, 2025 and March 31, 2026, respectively)	6,340	6,298
Total assets	$ 915,955	$ 912,542
Liabilities		
Payable to investors	$ 154	$ 154
Borrowings	97,333	183,307
Payable to securitization note holders (at fair value)	46,542	39,188
Accrued expenses and other liabilities	23,415	3,995
Total liabilities	167,444	226,644
Total net assets	$ 748,511	$ 685,898

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

Upstart Holdings, Inc.

Condensed Consolidated Statements of Operations and Comprehensive Loss

(In thousands, except share and per share data)

(Unaudited)

	Three Months Ended March 31,	
	2025	**2026**
Revenue:		
Revenue from fees, net	$ 185,475	$ 277,063
Interest income, interest expense, and fair value adjustments, net:		
Interest income[1][2]	40,568	56,061
Interest expense[1][2]	(7,020)	(10,370)
Fair value and other adjustments, net[1]	(5,652)	(14,540)
Total interest income, interest expense, and fair value adjustments, net	27,896	31,151
Total revenue	213,371	308,214
Operating expenses:		
Sales and marketing	58,970	104,455
Customer operations	40,501	55,095
Engineering and product development	57,838	80,112
General, administrative, and other	60,558	76,070
Total operating expenses	217,867	315,732
Loss from operations	(4,496)	(7,518)
Other income, net	2,078	956
Net loss before income taxes	(2,418)	(6,562)
Provision for income taxes	29	84
Net loss	$ (2,447)	$ (6,646)
Net loss per share, basic	$ (0.03)	$ (0.07)
Net loss per share, diluted	$ (0.03)	$ (0.07)
Weighted-average number of shares outstanding used in computing net loss per share, basic	94,274,538	96,901,974
Weighted-average number of shares outstanding used in computing net loss per share, diluted	94,274,538	96,901,974

(1) Balances for the three months ended March 31, 2025 and 2026 include amounts related to the consolidated securitization. Refer to *"Note 2. Revenue"* for details.

(2) For the three months ended March 31, 2026, interest income and interest expense include dividend income earned on certain cash accounts and expense on convertible senior notes, respectively, which were previously included in other income, net. Refer to *"Note 1. Description of Business and Significant Accounting Policies"* for details.

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

Upstart Holdings, Inc.

Condensed Consolidated Statements of Stockholders' Equity

(In thousands, except share and per share data)

(Unaudited)

	Three Months Ended March 31, 2025				
	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount			
Balance as of December 31, 2024	**93,469,721**	**$ 9**	**$ 1,044,366**	**$ (411,157)**	**$ 633,218**
Issuance of common stock upon exercise of stock options	661,617	1	8,208	—	8,209
Issuance of common stock upon settlement of restricted stock units	789,454	—	—	—	—
Shares withheld related to net share settlement of restricted stock units	(63)	—	(5)	—	(5)
Stock-based compensation expense	—	—	32,975	—	32,975
Issuance of common stock under employee stock purchase plan	150,853	—	4,692	—	4,692
Net loss	—	—	—	(2,447)	(2,447)
Balance as of March 31, 2025	**95,071,582**	**$ 10**	**$ 1,090,236**	**$ (413,604)**	**$ 676,642**

	Three Months Ended March 31, 2026				
	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount			
Balance as of December 31, 2025	**98,033,361**	**$ 10**	**$ 1,156,361**	**$ (357,556)**	**$ 798,815**
Issuance of common stock upon exercise of stock options	88,685	—	627	—	627
Issuance of common stock upon settlement of restricted stock units	602,742	—	—	—	—
Stock-based compensation expense	—	—	36,530	—	36,530
Issuance of common stock under employee stock purchase plan	177,378	—	4,626	—	4,626
Repurchases of stock	(3,193,294)	—	(100,786)	—	(100,786)
Net loss	—	—	—	(6,646)	(6,646)
Balance as of March 31, 2026	**95,708,872**	**$ 10**	**$ 1,097,358**	**$ (364,202)**	**$ 733,166**

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

Upstart Holdings, Inc.

Condensed Consolidated Statements of Cash Flows

(In thousands)

(Unaudited)

	Three Months Ended March 31,	
	2025	2026
Cash flows from operating activities		
Net loss	$ (2,447)	$ (6,646)
Adjustments to reconcile net loss to net cash used in operating activities		
Change in fair value of loans	7,062	(62,225)
Change in fair value of servicing assets	4,090	5,583
Change in fair value of servicing liabilities	(285)	(342)
Change in fair value of beneficial interest assets	(17,600)	(10,213)
Change in fair value of beneficial interest liabilities	(65)	(2,921)
Change in fair value of other financial instruments	(33)	(894)
Stock-based compensation	29,831	34,811
Gain on loan servicing rights, net	(4,945)	(7,474)
Depreciation and amortization	6,400	5,858
Loan premium amortization	(8,352)	(11,963)
Non-cash interest expense and other	1,325	3,713
Net changes in operating assets and liabilities:		
Purchases of loans held-for-sale	(1,345,253)	(2,459,444)
Proceeds from sale of loans held-for-sale	1,316,696	2,371,308
Principal payments received for loans held-for-sale	38,252	41,658
Principal payments received for loans held by consolidated securitization	10,280	8,031
Settlements of beneficial interest liabilities, net	(5,992)	1,081
Proceeds from beneficial interest assets (derivatives)	731	3,154
Settlements of beneficial interest assets (derivatives)	(485)	(1,500)
Other assets	6,437	4,374
Operating lease liability and right-of-use asset	(306)	(796)
Accrued expenses and other liabilities	(48,827)	(48,450)
Net cash used in operating activities	(13,486)	(133,297)
Cash flows from investing activities		
Purchases and originations of loans held-for-investment	(149,916)	(438,365)
Proceeds from sale of loans held-for-investment	1,647	313,068
Principal payments received for loans held-for-investment	57,417	76,443
Principal payments received for notes receivable and repayments of residual certificates	2,685	11,743
Acquisition and settlements of beneficial interest assets (hybrid instruments)	(617)	(1,734)
Proceeds from beneficial interest assets (hybrid instruments)	16,374	45,344
Repayments of line of credit receivable	—	1,369
Purchases of property and equipment	—	(2,750)
Capitalized software costs	(6,159)	(4,242)
Net cash provided by (used in) investing activities	(78,569)	876

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Upstart Holdings, Inc.

Condensed Consolidated Statements of Cash Flows (Continued)

(In thousands)

(Unaudited)

	Three Months Ended March 31,	
	2025	2026
Cash flows from financing activities		
Proceeds from borrowings	53,655	123,524
Payment of debt issuance costs to third parties	(443)	—
Repayments of borrowings	(122,285)	(32,626)
Principal payments made on securitization notes	(11,444)	(7,215)
Payable to investors	22,941	17,864
Net proceeds related to stock-based award activities	12,896	5,253
Repurchases of stock	—	(100,057)
Net cash provided by (used in) financing activities	(44,680)	6,743
Change in cash, cash equivalents and restricted cash	(136,735)	(125,678)
Cash, cash equivalents and restricted cash		
Cash, cash equivalents and restricted cash at beginning of period	976,263	1,057,012
Cash, cash equivalents and restricted cash at end of period	$ 839,528	$ 931,334
Supplemental disclosures of cash flow information		
Cash paid for interest	$ 7,378	$ 3,493
Cash paid for income taxes, net	96	79
Supplemental disclosures of non-cash investing and financing activities		
Beneficial interests obtained in connection with loan sales	$ 38,133	$ 113,631
Securities retained under unconsolidated securitization transactions	—	18,806
Capitalized stock-based compensation expense	3,144	1,719
Issuance of line of credit receivable	24,856	539

The following presents cash, cash equivalents and restricted cash by category within the unaudited condensed consolidated balance sheets:

	December 31, 2025	March 31, 2026
Cash and cash equivalents	$ 652,388	$ 472,934
Restricted cash	404,624	458,400
Total cash, cash equivalents and restricted cash	$ 1,057,012	$ 931,334

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

1. Description of Business and Significant Accounting Policies

Description of Business

Upstart Holdings, Inc. and its subsidiaries (together "Upstart", the "Company", "management", "we", or "our") apply artificial intelligence ("AI") models and cloud applications to the process of underwriting consumer credit to more accurately quantify the true risk of a loan. The Company helps originate credit by providing lending partners and auto dealers with access to a proprietary, cloud-based, AI lending marketplace and connects consumers with diverse sources of capital. The Company currently operates in the United States and is headquartered in San Mateo, California. The Company's fiscal year ends on December 31.

Basis of Presentation and Consolidation

The accompanying unaudited condensed consolidated financial statements have been prepared on the same basis as the annual consolidated financial statements included in our Annual Report on Form 10-K. Certain prior period amounts have been reclassified where appropriate to conform to the current period presentation of such amounts. In the opinion of management, the accompanying condensed consolidated financial statements reflect all adjustments, which include only normal recurring adjustments, necessary to state fairly the Company's financial position, results of operations, comprehensive loss and cash flows for the periods presented, but are not necessarily indicative of the results of operations to be anticipated of any future annual or interim periods.

Certain information and disclosures normally included in the financial statements prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") have been omitted pursuant to rules and regulations of the SEC. Accordingly, the information included in this Quarterly Report on Form 10-Q should be read in conjunction with the consolidated financial statements and accompanying notes included in our Annual Report on Form 10-K for the year ended December 31, 2025.

Reclassifications

During the first quarter of 2026, the Company elected to change its presentation of the notes receivable and residual certificates retained from unconsolidated securitization transactions. The notes receivable and residual certificates, previously presented within other assets, were reclassified to be separately presented on the condensed consolidated balance sheets. Comparative amounts have been reclassified to conform to the current period presentation.

During the first quarter of 2026, the Company revised its presentation of (i) interest expense and amortization of debt issuance costs related to its convertible senior notes and (ii) dividend income earned on certain cash accounts based on management's updated assessment of the economics of capital deployed in support of the Company's operations, including the related income and costs. In prior periods, these amounts were presented in other income, net.

As a result of this change:

- Expense on convertible notes previously included in other income, net are now presented within interest expense in total interest income, interest expense, and fair value adjustments, net in the condensed consolidated statements of operations and comprehensive loss.
- Dividend income earned on certain cash accounts previously included in other income, net is now presented within interest income in total interest income, interest expense, and fair value adjustments, net in the condensed consolidated statements of operations and comprehensive loss.

This change did not impact the Company's net loss, comprehensive loss, or cash flows for any period. Comparative amounts have not been reclassified to conform to the current-period presentation.

Use of Estimates

The preparation of the unaudited condensed consolidated financial statements in conformity with GAAP requires that management make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the condensed consolidated financial statements and the reported amounts of revenues and expenses during the reporting periods.

Significant estimates and assumptions made in the accompanying condensed consolidated financial statements, which management believes are critical in understanding and evaluating the Company's reported financial results include: (i) fair value determinations; (ii) stock-based compensation; (iii) consolidation of VIEs; and (iv) the evaluation for impairment of goodwill. The Company bases its estimates on various factors it believes to be reasonable under the circumstances. Actual results could differ from those estimates and such differences could affect the results of operations reported in future periods.

Recently Adopted Accounting Pronouncements

On January 1, 2026, the Company adopted Accounting Standards Update ("ASU") 2024-04, *Debt—Debt with Conversion and Other Options (Subtopic 470-20): Induced Conversions of Convertible Debt Instruments*. The new guidance clarifies the requirements for determining whether certain settlements of convertible debt instruments should be accounted for as an induced conversion. The new standard is applied prospectively to future settlements of convertible debt and did not have an impact on the Company's condensed consolidated financial statements or related disclosures.

Recently Issued Accounting Pronouncements

In November 2024, the FASB issued ASU 2024-03 and subsequently ASU 2025-01, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses*. The amendments in this update require disaggregated disclosures in the notes to the financial statements for certain expenses such as employee compensation, depreciation, and intangible asset amortization, which are commonly presented in aggregate. This ASU is effective for annual periods beginning after December 15, 2026 and interim periods beginning after December 15, 2027 with early adoption permitted. The Company is currently evaluating the impact of these amendments to its condensed consolidated financial statements and related disclosures.

In September 2025, the FASB issued ASU 2025-06, *Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software*. The amendments in this update remove references to software development project stages and introduce a "probable-to-complete" threshold to determine when software development costs should be capitalized. This ASU is effective for annual reporting periods beginning after December 15, 2027 with early adoption permitted. The Company is currently evaluating the impact of these amendments to its condensed consolidated financial statements and related disclosures.

In December 2025, the FASB issued ASU 2025-11, *Interim Reporting (Topic 270): Narrow-Scope Improvements*. The amendments in this update clarify the existing interim requirements including introducing a disclosure principle that entities should disclose material events since the end of the last annual reporting period. The amendments do not expand or reduce the current interim disclosure requirements. This ASU is effective for interim periods within annual reporting periods beginning after December 15, 2027 with early adoption permitted. The Company is currently evaluating the impact of these amendments on its condensed consolidated financial statements and related disclosures.

2. Revenue

(Tabular Amounts in Thousands, Except Share and Per Share Data and Ratios, or as Noted)

Revenue from Fees, Net

The Company disaggregates revenue from fees by type of service for the periods presented as follows:

	Three Months Ended March 31,	
	2025	2026
Revenue from fees, net:		
Platform and referral fees, net	$ 150,975	$ 224,618
Servicing and other fees, net	34,500	52,445
Total revenue from fees, net	$ 185,475	$ 277,063

Platform and Referral Fees, Net

Platform and referral fees, net consists of (i) platform and referral fees received from lending partners, (ii) subscription fees received from auto dealerships, and (iii) origination fees received from borrowers on home equity lines of credit ("HELOCs"), as described below.

Platform and referral fees. The Company enters into contracts with its lending partner customers, to provide access to a cloud-based AI lending marketplace developed by the Company (the "Upstart platform") to enable lending partners to originate unsecured personal and secured auto refinance loans. The Upstart platform includes a cloud-based application (through Upstart.com) for submitting loan applications, verifying information provided within submitted applications, risk underwriting (through a series of proprietary technology solutions), delivery of electronic loan offers, and if the offer is accepted by the borrower, electronic loan documentation signed by the borrower. Lending partners can specify certain parameters of loans they are willing to originate. Under these contracts, lending partners can choose to use Upstart's referral services, which allow them to access new borrowers through Upstart's marketing channels.

After origination, Upstart-powered loans are either retained by lending partners, purchased by the Company for immediate resale to institutional investors under loan sale agreements, or purchased and held by the Company. For loans not retained by the lending partners, the Company pays the lending partners a one-time loan premium fee upon completion of the minimum contractual holding period and a monthly loan trailing fee based on the amount and timing of principal and interest payments made by the borrowers of the underlying loans. Both the loan premium fees and loan trailing fees are consideration payable to customers, which are our lending partners, and are recorded as a reduction to platform and referral fees, net, which is part of revenue from fees, net, in the condensed consolidated statements of operations and comprehensive loss. The Company recognized an immaterial amount of loan premium fees and loan trailing fees as contra-revenue within platform and referral fees, net during the three months ended March 31, 2025 and 2026.

As of December 31, 2025 and March 31, 2026, the Company recognized $5.8 million and $6.0 million of loan trailing fee liability, respectively, which is recorded at fair value and included within accrued expenses and other liabilities on the Company's condensed consolidated balance sheets. Refer to "*Note 5. Fair Value Measurement*" for additional information on changes in fair value associated with trailing fee liabilities.

The Company's arrangements for platform and referral services typically consist of an obligation to provide one or both of these services to customers, on a when and if needed basis (a stand-ready obligation), and revenue is recognized as such services are performed. Additionally, the services have the same pattern and period of transfer, and when provided individually or together, are accounted for as a single combined performance obligation representing a series of distinct services.

(Tabular Amounts in Thousands, Except Share and Per Share Data and Ratios, or as Noted)

Platform and referral services are typically provided under a fixed or variable price per unit based on a percentage of the value of loans originated each period with certain lending partners subject to minimum fees; however, pricing for these services may also be based on usage fees, calculated as a percentage of each loan originated. The nature of the Company's promise is to stand-ready and provide continuous access to and process transactions through the platform. Platform and referral fees represent variable consideration as loan origination volume is not known at contract inception. These fees are determined each time a loan is originated. Fees for platform and referral services are generally billed and paid on a monthly basis, or settled on a daily basis. As such, the Company's contracts with customers do not include a significant financing component.

Subscription fees. The Company enters into subscription agreements with auto dealerships to access Upstart Auto Finance software, a cloud-based solution that facilitates dealership operations and enables them to provide consumers with access to Upstart-powered auto loans. Subscription agreements generally have a contractual term of one to six months with evergreen monthly renewals. The Company bills these customers on a monthly basis. Subscription fees are recognized over the contract term as the performance obligation is satisfied, and is included within platform and referral fees, net in the condensed consolidated statements of operations and comprehensive loss. Subscription fees were immaterial for the three months ended March 31, 2025 and 2026.

Origination fees. Origination fees are earned from borrowers on HELOCs originated by the Company. Origination fees were not material for the three months ended March 31, 2025 and 2026.

The Company had $25.8 million and $25.6 million of accounts receivable, excluding those that are settled on a daily basis, that are included in other assets on the condensed consolidated balance sheets related to contracts with customers as of December 31, 2025 and March 31, 2026, respectively. The standard payment terms on accounts receivable are 30 days. The Company's allowance for bad debt and bad debt expense were immaterial for the periods presented.

The Company capitalizes incremental costs of obtaining a contract with a customer, which are certain sales commissions paid to employees in connection with the acquisition of lending partners. Capitalized costs are amortized over the expected period of benefit, which we have determined, based on an analysis, to be three years. The Company applies the practical expedient to expense costs to obtain contracts with customers if the amortization period is one year or less. As of both December 31, 2025 and March 31, 2026, the Company had an immaterial amount of contract costs capitalized within other assets on the condensed consolidated balance sheets. During the three months ended March 31, 2025 and 2026, the Company amortized immaterial amounts of capitalized contracts costs to sales and marketing in the condensed consolidated statements of operations and comprehensive loss.

Customers accounting for greater than 10% of total revenue were as follows:

	Three Months Ended March 31,	
	2025	**2026**
Customer A	27%	27%
Customer B	21%	18%

(Tabular Amounts in Thousands, Except Share and Per Share Data and Ratios, or as Noted)

Customers accounting for greater than 10% of accounts receivable were as follows:

	December 31, 2025	March 31, 2026
Customer C	16%	15%
Customer D	16%	*

* Less than 10%

Servicing and Other Fees, Net

The Company also enters into contracts with lending partners and institutional investors, including securitization trusts and pass-through entities to provide loan servicing for the life of Upstart-powered loans. These services commence upon origination of these loans by lending partners and include collection, processing and reconciliations of payments received, institutional investor reporting and borrower customer support as well as distribution of funds to the holders of the loans. The Company charges the loan holder a monthly servicing fee calculated based on a predetermined percentage of the outstanding principal balance. Servicing fees also include certain ancillary fees charged on a per transaction basis for processing late payments and payments declined due to insufficient funds. Servicing fees are recognized in the period the services are provided.

The Company charges lending partners and institutional investors for collection agency fees related to their outstanding loan portfolio. The Company either performs borrower collection activities in-house, or outsources to third-party collection agencies, including for loans that are charged off. The Company has discretion in hiring the collection agencies and determining the scope of their work. As the principal in the arrangement, the Company recognizes gross revenue from collection agency fees in the period that the services are provided. Upstart also receives certain ancillary borrower fees inclusive of late payment fees and ACH fail fees. The total fees charged by collection agencies are recognized in the period incurred and reported as part of customer operations expenses.

Servicing and other fees, net also includes gains and losses on assets and liabilities recognized under loan servicing arrangements for loans retained by lending partners or loans sold to institutional investors. Such gains or losses are recognized based on whether the benefits of servicing are expected to be more or less than adequate compensation for servicing obligations performed by the Company. Servicing fees also include changes in fair value of loan servicing assets and liabilities. Refer to "*Note 5. Fair Value Measurement*" for additional information on changes in fair value associated with servicing assets and liabilities.

The following table presents the components of servicing and other fees, net as part of revenue from fees, net in the Company's condensed consolidated statements of operations and comprehensive loss:

	Three Months Ended March 31,	
	2025	2026
Servicing fees	$ 22,812	$ 32,333
Borrower fees	6,660	10,093
Collection agency fees	3,792	3,912
Other fees	97	3,874
Net gain on servicing rights and fair value adjustments	1,139	2,233
Total servicing and other fees, net	$ 34,500	$ 52,445

(Tabular Amounts in Thousands, Except Share and Per Share Data and Ratios, or as Noted)

Interest Income, Interest Expense, and Fair Value Adjustments, Net

Interest income, interest expense, and fair value adjustments, net is comprised of interest income, interest expense and net changes in the fair value of financial instruments held in the Company's normal course of business at fair value, including loans, derivatives, beneficial interests, notes receivable and residual certificates, trailing fee liabilities, payable to securitization note holders, and line of credit receivable. For the three months ended March 31, 2026, interest income, interest expense, and fair value adjustments, net also includes coupon interest expense and amortization of debt issuance costs related to the Company's convertible senior notes and dividend income earned on certain cash accounts, which were previously included in other income, net. Refer to *"Note 1. Description of Business and Significant Accounting Policies"* for additional information.

The following table presents components of the interest income, interest expense, and fair value adjustments, net presented in the Company's condensed consolidated statements of operations and comprehensive loss:

	Three Months Ended March 31,	
	2025	2026
Interest income[1]	$ 40,568	$ 56,061
Interest expense[1]	(7,020)	(10,370)
Fair value and other adjustments, net:		
Unrealized loss on loans, loan charge-offs, and other fair value adjustments, net[1]	(21,326)	(18,187)
Fair value adjustments and realized gains on beneficial interests, net	17,665	13,134
Realized loss on sale of loans, net	(1,991)	(9,487)
Total fair value and other adjustments, net	(5,652)	(14,540)
Total interest income, interest expense, and fair value adjustments, net	$ 27,896	$ 31,151

(1) Includes interest income, interest expense and unrealized loss on loans, loan charge-offs, and other fair value adjustments, net related to the consolidated securitization as follows:

	Three Months Ended March 31,	
	2025	2026
Interest income, interest expense, and fair value adjustments, net related to consolidated securitization:		
Interest income	$ 5,112	$ 2,668
Interest expense	(1,849)	(1,158)
Unrealized loss on loans, loan charge-offs, and other fair value adjustments, net	(3,780)	(736)
Total interest income, interest expense, and fair value adjustments, net	$ (517)	$ 774

Interest Income

Interest income is recognized based on the terms of the underlying agreements with borrowers for loans and line of credit receivable held on the Company's condensed consolidated balance sheets and is earned over the life of a loan or a line of credit receivable.

Interest income includes accrued interest earned on outstanding loans and line of credit receivable but not collected. Generally, HELOCs that have reached a delinquency over 180 days and all other loans and line of credit receivable that have reached a delinquency over 120 days are charged off and do not accrue interest. The Company does not record an allowance for credit losses on accrued interest receivable. As of December 31, 2025 and March 31, 2026, the Company has recorded $10.2 million and $10.7 million, respectively of accrued interest income in loans on the condensed consolidated balance sheets. Accrued interest income on the line of credit receivable was immaterial as of both December 31, 2025 and March 31, 2026. For the three months ended March 31, 2026, interest income included $4.8 million of dividend income earned on certain cash accounts.

Interest Expense

Interest expense is primarily related to interest recorded on the Company's borrowings on warehouse credit facilities and interest expense related to the consolidated securitization. Interest expense includes accrued interest incurred but not paid. Interest expense also includes changes in fair value of the interest rate caps. Accrued interest expenses for the warehouses were immaterial as of both December 31, 2025 and March 31, 2026. For the three months ended March 31, 2026, interest expense included $5.1 million of coupon interest expense and amortization of debt issuance costs related to the Company's convertible senior notes.

Fair Value and Other Adjustments, Net

Fair value and other adjustments, net include changes in fair value of financial instruments, other than loan servicing assets and liabilities and interest rate caps. These adjustments are recorded in the Company's condensed consolidated statements of operations and comprehensive loss and include both realized and unrealized changes to the value of related assets and liabilities. Refer to "*Note 5. Fair Value Measurement*" for additional information.

Fair value and other adjustments, net also includes amounts received from borrowers for previously charged-off loans held on the Company's condensed consolidated balance sheets. These amounts are recognized in the period when amounts are received. Amounts received from borrowers for previously charged-off loans were immaterial for the three months ended March 31, 2025 and 2026.

3. Variable Interest Entities

Consolidated VIEs

The Company consolidates variable interest entities ("VIEs") in which the Company has a variable interest and is determined to be the primary beneficiary. This determination is based on whether the Company has a variable interest (or combination of variable interests) that provides the Company with both (a) the power to direct the activities that most significantly impact the VIE's economic performance and (b) the obligation to absorb losses or right to receive benefits that could be potentially significant to the VIE. The Company continually reassesses whether it is the primary beneficiary of a VIE throughout the entire period the Company is involved with the VIE.

The Company also determines whether decision-maker or service-provider fees are variable interests. Decision-maker or service-provider fees are not considered variable interests when the arrangement does not expose the Company to risks of loss that a potential VIE was designed to pass on to its variable interest holders, the fees are commensurate, the arrangement is at market, and the Company does not have any other interests (including direct interests and certain indirect interests held through related parties) that absorb more than an insignificant amount of a VIE's potential variability. This determination can have a significant impact on the Company's consolidation analysis, as it could affect whether a legal entity is a VIE and whether the Company is the primary beneficiary of a VIE. When the Company's decision-maker or service-provider fee is not a variable interest, the Company is viewed as acting as a fiduciary for the potential VIE.

(Tabular Amounts in Thousands, Except Share and Per Share Data and Ratios, or as Noted)

The following tables present a summary of financial assets and liabilities from the Company's involvement with consolidated VIEs:

	December 31, 2025		
	Assets	Liabilities	Net Assets
Consolidated securitization	$ 58,275	$ 46,542	$ 11,733
Consolidated warehouse entities	167,158	101,791	65,367
Other consolidated VIEs	690,522	19,111	671,411
Total consolidated VIEs	$ 915,955	$ 167,444	$ 748,511

	March 31, 2026		
	Assets	Liabilities	Net Assets
Consolidated securitization	$ 49,368	$ 39,188	$ 10,180
Consolidated warehouse entities	311,825	184,174	127,651
Other consolidated VIEs	551,349	3,282	548,067
Total consolidated VIEs	$ 912,542	$ 226,644	$ 685,898

Consolidated Securitization

On July 6, 2023, the Company completed a private securitization securities offering ("UPST 2023-2"). As the retaining sponsor, the Company retained 5% vertical interests in the form of securitization notes and residual certificates. The Company also retained the remainder of the residual certificates issued as part of the transaction. The Company determined it was the primary beneficiary and consolidated the entities associated with UPST 2023-2.

The loans held in the consolidated securitization trust are classified as held-for-sale and included in loans, at fair value, and the notes sold to third-party investors are recorded at fair value as payable to securitization note holders on the condensed consolidated balance sheets. Refer to "*Note 5. Fair Value Measurement*" for additional information on determination of fair value of these assets and liabilities. The value of the residual certificates issued as part of the securitization and retained by the Company was eliminated as part of the consolidation.

Warehouse Entities

The Company established various entities deemed to be VIEs to enter into warehouse credit facilities for the purpose of purchasing Upstart-powered loans. Refer to "*Note 8. Borrowings*" for additional information. These entities are Delaware statutory trusts that are structured to be bankruptcy-remote, with third-party banks operating as trustees.

Other Consolidated VIEs

The Company has formed a number of VIEs for the purpose of holding Upstart-powered loans that are not pledged or eligible to be pledged to the Company's warehouse credit facilities. In addition, the Company has formed consolidated VIEs for the purpose of holding restricted cash or loans as collateral in connection with committed capital and other co-investment arrangements.

(Tabular Amounts in Thousands, Except Share and Per Share Data and Ratios, or as Noted)

Unconsolidated VIEs

The Company's transactions with unconsolidated VIEs include securitizations and sales of whole loans to VIEs, including loan sales under its committed capital and other co-investment arrangements. Refer to "*Note 4. Beneficial Interests*" for additional information on unconsolidated VIEs related to committed capital and other co-investment arrangements.

Securitizations

While the Company continues to be involved with the unconsolidated VIEs in its role as the sponsor and the servicer of securitization transactions, the Company has determined that it is not the primary beneficiary of these entities. The Company's unconsolidated VIEs include entities established as the issuers and grantor trusts for various securitization transactions.

In cases where the VIEs are not consolidated and the transfer of the loans from the Company to the securitization trust meets sale accounting criteria, the Company recognizes a gain or loss on sales of loans. The net proceeds of the sale represent the fair value of any assets obtained or liabilities incurred as part of the transaction. The assets are transferred into a trust such that the assets are legally isolated from the creditors of the Company and are not available to satisfy obligations of the Company. These assets can only be used to settle obligations of the underlying securitization trusts.

During the three months ended March 31, 2026, the Company exercised clean up calls related to a number of historical unconsolidated securitizations and subsequently liquidated the associated entities. As part of the clean up calls, the Company, as servicer, repurchased the remaining collateral and received the cash reserve amounts held by the related entities. The clean up calls had no material impact on the condensed consolidated financial statements of the Company.

The following tables summarize the aggregate value of assets and liabilities of unconsolidated VIEs associated with securitizations in which the Company holds a variable interest but is not the primary beneficiary:

	December 31, 2025			
	Assets[1]	**Liabilities**	**Net Assets**	**Maximum Exposure to Losses**
Securitizations	$ 2,016,813	$ 1,426,987	$ 589,826	$ 101,670

(1) Represents cash and the unpaid principal balance of loans held by the unconsolidated VIEs.

	March 31, 2026			
	Assets[1]	**Liabilities**	**Net Assets**	**Maximum Exposure to Losses**
Securitizations	$ 2,157,588	$ 1,516,388	$ 641,200	$ 105,918

(1) Represents cash and the unpaid principal balance of loans held by the unconsolidated VIEs.

The Company's maximum exposure to loss from its involvement with unconsolidated VIEs represents the value of securities retained and cash deposits made under the risk retention requirements for the related securitizations and estimates the loss that would be incurred under severe, hypothetical circumstances, for which the Company believes the possibility is remote. The carrying value of assets that relate to variable interests in unconsolidated VIEs consists of $97.4 million and $105.1 million of securitization notes and residual certificates that are carried at fair value and included in notes receivable and residual certificates (at fair value) on the condensed consolidated balance sheets as of December 31, 2025 and March 31, 2026, respectively. The Company also had an immaterial amount of cash deposits held as reserve accounts for related securitizations, included in other assets on the condensed consolidated balance sheets as of both December 31, 2025 and March 31, 2026.

(Tabular Amounts in Thousands, Except Share and Per Share Data and Ratios, or as Noted)

For securitization transactions where the Company is not the risk retaining sponsor, and servicing is the only form of continuing involvement, the Company would only experience a loss if it were required to repurchase a loan due to a breach in representations and warranties and is not able to collect all repayments, refer to "*Note 11. Commitments and Contingencies*" for further information.

The investors and the securitization trusts have no direct recourse to the Company's assets, and holders of the securities issued by the securitization trusts can look only to the assets of the securitization trusts that issued their securities for payment. The interests held by the Company and its affiliates are subject principally to the credit and prepayment risk stemming from the underlying unsecured personal whole loans.

4. Beneficial Interests

Beneficial interests are associated with committed capital and other co-investment arrangements with third-parties, in which the Company puts certain amounts of assets at risk. The risk is subject to a dollar cap, which represents the Company's maximum exposure to losses in each particular arrangement.

In certain arrangements, the Company is obligated to make payments to these third-parties or is entitled to receive payments from them if credit performance of the loans deviates from initial expectations. These arrangements meet the definition of derivatives under ASC 815 and produce an asset or a liability depending on the credit performance of the underlying loan portfolio as of the reporting date, which are settled periodically in cash based on contractual terms. Under other arrangements, the Company makes an initial investment and is entitled to a portion of cash flows from repayments received over time on the underlying loan portfolios. These cash flows vary depending on the demonstrated credit performance relative to our expectations. These arrangements are debt-like financial instruments with embedded derivatives related to the variability of demonstrated credit performance of underlying loan portfolios against initial expectations. The Company accounts for these derivatives and hybrid instruments at fair value under ASC 815 and ASC 825, respectively. Refer to "*Note 5. Fair Value Measurement*" for additional information.

Beneficial interests represent the value of the future cash flows based on expected performance, discounted to the present value. The following table presents the aggregate outstanding principal balance of the underlying loan portfolios as well as the fair value of beneficial interest assets, by type, which collectively are presented as a separate caption on the condensed consolidated balance sheets, and beneficial interest liabilities, which are presented in accrued expenses and other liabilities on the condensed consolidated balance sheets.

	December 31, 2025		March 31, 2026	
	Outstanding Principal Balance	Fair Value	Outstanding Principal Balance	Fair Value
Beneficial interest assets (hybrid instruments)	$ 4,530,737	$ 372,402	$ 5,204,737	$ 438,009
Beneficial interest assets (derivatives)	2,559,210	23,814	3,672,607	36,787
Total beneficial interest assets	$ 7,089,947	$ 396,216	$ 8,877,344	$ 474,796
Beneficial interest liabilities (derivatives)	$ 2,325,305	$ 5,075	$ 1,627,194	$ 3,235

(Tabular Amounts in Thousands, Except Share and Per Share Data and Ratios, or as Noted)

The Company recognizes beneficial interests at fair value with changes reported as part of the fair value and other adjustments on the condensed consolidated statements of operations and comprehensive loss. The table below presents net gains recognized on beneficial interests:

	Three Months Ended March 31,	
	2025	2026
Fair value adjustments and realized gains on beneficial interests, net	$ 17,665	$ 13,134

The Company's beneficial interests are associated with entities that meet the definition of a VIE or are evaluated under the voting interest model. The Company has variable interests in certain entities established in relation to its committed capital and co-investment arrangements, including purchaser trusts, which are unconsolidated VIEs. While the Company holds variable interests in these unconsolidated VIEs through committed capital and co-investment arrangements and as the servicer of the loans sold, the Company does not have the power to direct the activities that most significantly impact the VIE's economic performance and has determined that it is not the primary beneficiary of these entities. The Company additionally holds loans as collateral in connection with committed capital and other co-investment arrangements in a consolidated VIE. Refer to "*Note 3. Variable Interest Entities*" for additional information. While held as collateral, these loans are ineligible to be sold and are classified as held-for-investment on the Company's condensed consolidated balance sheets.

The contractual terms of committed capital and other co-investment arrangements determine the Company's maximum exposure to losses and dictate types of assets the Company puts at risk. The Company's maximum exposure to losses from its involvement with these arrangements are estimated under severe, hypothetical circumstances, for which the Company believes the possibility is remote. The following table presents the Company's aggregate maximum exposure to losses by asset type:

	December 31, 2025	March 31, 2026
Cash and cash equivalents	$ 160,055	$ 196,009
Restricted cash	219,412	257,780
Beneficial interests	389,566	458,192
Line of credit receivable(1)	108,965	107,596
Loans(1)	53,762	58,743
Total(2)	$ 931,760	$ 1,078,320

(1) Represents the unpaid principal balance.
(2) $191.6 million and $190.2 million as of December 31, 2025 and March 31, 2026, respectively, is related to assets held by one institutional investor.

(Tabular Amounts in Thousands, Except Share and Per Share Data and Ratios, or as Noted)

5. Fair Value Measurement

The following table presents assets and liabilities measured at fair value and categorized in accordance with the fair value hierarchy:

	Level	December 31, 2025	March 31, 2026
Assets			
Loans	3	$ 984,552	$ 1,014,089
Beneficial interest assets	3	396,216	474,796
Line of credit receivable	3	112,742	111,916
Loan servicing assets	3	40,941	45,437
Notes receivable and residual certificates	3	97,416	105,066
Interest rate cap	2	225	109
Total assets		$ 1,632,092	$ 1,751,413
Liabilities			
Payable to securitization note holders	3	$ 46,542	$ 39,188
Beneficial interest liabilities	3	5,075	3,235
Trailing fee liabilities	3	5,761	5,980
Loan servicing liabilities	3	4,383	6,646
Total liabilities		$ 61,761	$ 55,049

Financial instruments are categorized in the fair value hierarchy based on the significance of unobservable inputs and assumptions in the overall fair value measurement. Financial instruments classified as Level 3 within the fair value hierarchy do not trade in an active market with readily observable prices. The Company uses significant unobservable inputs to measure the fair value of these assets and liabilities. There were no transfers between Level 1, Level 2 or Level 3 of the fair value hierarchy during the periods presented.

Loans

Loans included in the Company's condensed consolidated balance sheets are classified as either held-for-sale or held-for-investment based on the Company's intent and ability to sell the loans prior to maturity. The Company reassesses such intent and ability on an ongoing basis and may transfer loans between categories as circumstances change. Loans held in the consolidated securitization include those loans contributed as collateral to the securitization and are classified as held-for-sale.

The following table presents the fair value of loans held on the Company's condensed consolidated balance sheets by classification:

	December 31, 2025	March 31, 2026
Loans held-for-sale	$ 393,159	$ 723,855
Loans held-for-investment	537,631	245,378
Loans held in consolidated securitization	53,762	44,856
Total	$ 984,552	$ 1,014,089

(Tabular Amounts in Thousands, Except Share and Per Share Data and Ratios, or as Noted)

Valuation Methodology

Loans held-for-sale and held-for-investment are measured at estimated fair value using a discounted cash flow model. The fair valuation methodology considers projected prepayments and historical defaults, losses and recoveries to project future losses and net cash flows on loans. Net cash flows are discounted using an estimate of market rates of return. The fair value of these loans also includes accrued interest.

For the consolidated securitization, the Company elected the measurement alternative under Topic 810, *Consolidation*, and maximizes the use of observable inputs to estimate the fair value of the financial assets and liabilities of the securitization. Under the measurement alternative, the Company determined that inputs and market data used to determine the value of the liabilities, which consist of securitization notes and residual certificates, are more observable than those used to measure fair value of the financial assets, which consist of held-for-sale loans. Thus, the loans are measured based on the sum of the fair value of the securitization notes and residual certificates. The fair value is also corroborated with a discounted cash flow model that considers projected prepayments and historical defaults, losses and recoveries to project future losses and net cash flows on loans, discounted using an estimate of market rates of return as disclosed below in the "Significant Inputs and Assumptions" section. The fair value of loans in the consolidated securitization also includes accrued interest.

Significant Inputs and Assumptions

The following table presents quantitative information about the significant unobservable inputs used for the Company's Level 3 fair value measurements for loans held-for-investment and held-for-sale, excluding loans held in the consolidated securitization:

	December 31, 2025			March 31, 2026		
	Minimum	Maximum	Weighted-Average (1)	Minimum	Maximum	Weighted-Average (1)
Discount rate	5.00 %	14.78 %	9.51 %	5.48 %	15.05 %	9.88 %
Credit risk rate	0.01 %	91.50 %	15.52 %	0.01 %	91.50 %	16.92 %
Prepayment rate	0.45 %	99.75 %	43.41 %	0.45 %	99.75 %	41.98 %

(1) Unobservable inputs were weighted by relative fair value.

The following table presents quantitative information about the significant unobservable inputs implied for the Company's Level 3 fair value measurements for loans held in the consolidated securitization:

	December 31, 2025			March 31, 2026		
	Minimum	Maximum	Weighted-Average (1)	Minimum	Maximum	Weighted-Average (1)
Discount rate	6.99 %	15.00 %	10.43 %	6.90 %	15.00 %	11.04 %
Credit risk rate	0.67 %	35.68 %	16.12 %	0.67 %	35.68 %	16.20 %
Prepayment rate	6.73 %	89.84 %	40.50 %	6.73 %	89.84 %	40.25 %

(1) Unobservable inputs were weighted by relative fair value.

Discount rates–The discount rates are rates of return used to discount future expected cash flows to arrive at a present value, which represents the fair value. The discount rates used for the projected net cash flows are the Company's estimates of the rates of return that market participants would require when investing in these financial instruments with cash flows dependent on credit quality of the related loan. A risk premium component is implicitly included in the discount rates to reflect the amount of compensation market participants require due to the uncertainty inherent in the instruments' cash flows resulting from risks such as credit and liquidity.

(Tabular Amounts in Thousands, Except Share and Per Share Data and Ratios, or as Noted)

Credit risk rates–The credit risk rates are an estimate of the net cumulative principal payments that will not be repaid over the entire life of a financial instrument. The credit risk rates are expressed as a percentage of the original principal amount of the instrument. The estimated net cumulative loss represents the sum of the net losses estimated to occur each month of the life of the instrument, net of the average recovery expected to be received.

Prepayment rates–Prepayment rates are an estimate of the cumulative principal prepayments that will occur over the entire life of a loan as a percentage of the original principal amount of the loan. The assumption regarding cumulative prepayments impacts the projected balances and expected terms of the loans.

Significant Recurring Level 3 Fair Value Input Sensitivity

The following table presents the sensitivity of the fair value of loans held-for-sale and held-for-investment, excluding loans held in the consolidated securitization, to adverse changes in the significant assumptions used in the valuation model. Adverse changes in prepayment rates do not result in a material impact to the fair value of loans held-for-sale and held-for-investment as of December 31, 2025 and March 31, 2026.

	December 31, 2025	March 31, 2026
Fair value of loans held-for-sale and held-for-investment	$ 930,790	$ 969,233
Discount rates		
100 basis point increase	(12,006)	(12,670)
200 basis point increase	(23,623)	(25,349)
Expected credit loss rates on underlying loans		
10% adverse change	(10,465)	(11,619)
20% adverse change	(20,397)	(22,701)

Adverse changes in significant assumptions do not result in a material impact to the fair value of loans held in the consolidated securitization as of December 31, 2025 and March 31, 2026.

(Tabular Amounts in Thousands, Except Share and Per Share Data and Ratios, or as Noted)

Rollforward of Level 3 Fair Values

The following tables present a rollforward of loans classified within Level 3 of the fair value hierarchy:

	Loans Held-for-Sale	Loans Held-for-Investment	Loans Held in Consolidated Securitization	Total
Fair value at December 31, 2024	$ 405,812	$ 297,543	$ 102,949	$ 806,304
Purchases and originations of loans[(1)]	570,654	149,883	—	720,537
Sale of loans[(1)]	(571,696)	(1,618)	—	(573,314)
Purchase of loans for immediate resale[(1)]	774,632	—	—	774,632
Immediate resale of loans[(1)]	(774,632)	—	—	(774,632)
Repayments received[(1)]	(39,904)	(55,765)	(10,280)	(105,949)
Charge-offs and changes in fair value recorded in earnings	(15,722)	(20,973)	(3,753)	(40,448)
Other changes	(1,395)	8,942	—	7,547
Fair value at March 31, 2025	$ 347,749	$ 378,012	$ 88,916	$ 814,677

(1) Represents the principal balance.

	Loans Held-for-Sale	Loans Held-for-Investment	Loans Held in Consolidated Securitization	Total
Fair value at December 31, 2025	$ 393,159	$ 537,631	$ 53,762	$ 984,552
Reclassification of loans[(1)(2)]	313,969	(313,969)	—	—
Purchases and originations of loans[(1)(3)]	372,859	438,262	—	811,121
Sale of loans[(1)]	(301,900)	(319,573)	—	(621,473)
Purchase of loans for immediate resale[(1)]	2,090,945	—	—	2,090,945
Immediate resale of loans[(1)]	(2,090,945)	—	—	(2,090,945)
Repayments received[(1)]	(42,480)	(75,621)	(8,031)	(126,132)
Charge-offs and changes in fair value recorded in earnings	(11,884)	(33,668)	(875)	(46,427)
Other changes	132	12,316	—	12,448
Fair value at March 31, 2026	$ 723,855	$ 245,378	$ 44,856	$ 1,014,089

(1) Represents the principal balance.
(2) Effective March 31, 2026, the Company reclassified HELOCs and auto retail loans as they now meet the definition of loans held-for-sale based on our intent and ability to sell these loans prior to maturity.
(3) Purchase activity includes an immaterial unpaid principal balance related to securitization clean-up calls during the three months ended March 31, 2026.

(Tabular Amounts in Thousands, Except Share and Per Share Data and Ratios, or as Noted)

The following table presents the aggregate fair value and aggregate principal outstanding of all loans and loans that were 90 days or more past due included in the condensed consolidated balance sheets:

	Loans		Loans > 90 Days Past Due	
	December 31, 2025	March 31, 2026	December 31, 2025	March 31, 2026
Outstanding principal balance	$ 1,038,521	$ 1,061,410	$ 17,685	$ 14,861
Net fair value and accrued interest adjustments	(53,969)	(47,321)	(13,094)	(10,989)
Fair value[(1)(2)]	$ 984,552	$ 1,014,089	$ 4,591	$ 3,872

(1) Includes $367.4 million and $311.8 million of auto loans at fair value as of December 31, 2025 and March 31, 2026, respectively, of which an immaterial amount are 90 days or more past due. Also includes $149.5 million and $171.8 million of HELOCs at fair value as of December 31, 2025 and March 31, 2026, respectively, of which immaterial amounts are 90 days or more past due.
(2) The fair value of loans in nonaccrual status was immaterial as of December 31, 2025 and March 31, 2026.

Line of Credit Receivable

In connection with a committed capital and other co-investment arrangement, the Company issued a revolving line of credit receivable to a third-party, which is classified as held-for-investment. The fair value of the line of credit receivable as of December 31, 2025 and March 31, 2026 was $112.7 million and $111.9 million, respectively.

Valuation Methodology

The line of credit receivable is measured at estimated fair value using a discounted cash flow model. The model is based on the expected monthly outstanding balance of the line of credit receivable over the life of the agreement and considers the present creditworthiness of the counterparty and the difference between the market rates of return and the stated interest rate. Cash flows are discounted using an estimate of market rates of return. The fair value of the line of credit receivable also includes accrued interest.

Significant Inputs and Assumptions

The following table presents quantitative information about the significant unobservable inputs used for the Company's Level 3 fair value measurements related to the line of credit receivable:

	December 31, 2025			March 31, 2026		
	Minimum	Maximum	Weighted-Average	Minimum	Maximum	Weighted-Average
Discount rate	6.50%	6.50%	6.50%	6.50 %	6.50 %	6.50 %

Discount rate–The discount rate is the rate of return used to discount future expected cash flows to arrive at a present value, which represents the fair value. The discount rate used for the projected net cash flows is the Company's estimate of the rate of return that market participants would require when investing in this financial instrument with cash flows dependent on credit quality of the counterparty. A risk premium component is implicitly included in the discount rate to reflect the amount of compensation market participants require due to the uncertainty inherent in the instrument's cash flows resulting from risks such as credit and liquidity of the counterparty.

(Tabular Amounts in Thousands, Except Share and Per Share Data and Ratios, or as Noted)

Significant Recurring Level 3 Fair Value Input Sensitivity

Adverse changes in significant assumptions do not result in a material impact to the fair value of the line of credit receivable as of December 31, 2025 and March 31, 2026.

Rollforward of Level 3 Fair Values

The following tables present a rollforward of the line of credit receivable classified by the Company within Level 3 of the fair value hierarchy:

	Line of Credit Receivable
Fair value at December 31, 2024	$ 56,269
Issuances	24,856
Changes in fair value recorded in earnings	500
Changes in accrued interest	155
Fair value at March 31, 2025	$ 81,780

	Line of Credit Receivable
Fair value at December 31, 2025	$ 112,742
Issuances	539
Repayments	(1,908)
Changes in fair value recorded in earnings	(62)
Changes in accrued interest	605
Fair value at March 31, 2026	$ 111,916

Assets and Liabilities related to Securitization Transactions

As of December 31, 2025 and March 31, 2026, the Company held notes receivable and residual certificates retained from unconsolidated securitization transactions with an aggregate fair value of $97.4 million and $105.1 million, respectively.

As of December 31, 2025 and March 31, 2026, the Company recognized payables to securitization note holders of $46.5 million and $39.2 million at fair value, respectively. The balance represents the value of the securitization notes issued and owned by third-party investors in connection with the consolidated securitization. The value of securitization notes and residual certificates retained by the Company is eliminated in the consolidation process.

Valuation Methodology

The Company prioritizes the use of observable inputs in estimating the fair value of notes receivable and residual certificates and payable to securitization note holders when available. Fair value is corroborated using a discounted cash flow methodology. This approach uses assumptions of projected cash flows of the underlying collateral loan pools adjusted for features of these securities, which reflect the Company’s best estimates of the assumptions a market participant would use to determine fair value.

(Tabular Amounts in Thousands, Except Share and Per Share Data and Ratios, or as Noted)

Significant Inputs and Assumptions

The following table presents quantitative information about the significant unobservable inputs used for the Company's Level 3 fair value measurements related to notes receivable, residual certificates, and payable to securitization note holders:

	December 31, 2025			March 31, 2026		
	Minimum	**Maximum**	**Weighted-Average** [1]	**Minimum**	**Maximum**	**Weighted-Average** [1]
Notes receivable and residual certificates						
Discount rate	5.75 %	12.78 %	10.72 %	6.08 %	15.05 %	10.43 %
Credit risk rate	0.38 %	50.28 %	21.10 %	0.38 %	44.74 %	21.27 %
Prepayment rate	4.11 %	95.77 %	33.04 %	4.11 %	93.44 %	33.56 %
Payable to securitization note holders						
Discount rate	6.99 %	10.40 %	9.65 %	6.90 %	10.60 %	10.32 %
Credit risk rate	0.67 %	35.68 %	16.12 %	0.67 %	35.68 %	16.20 %
Prepayment rate	6.73 %	89.84 %	40.50 %	6.73 %	89.84 %	40.25 %

(1) Unobservable inputs were weighted by relative fair value.

Significant Recurring Level 3 Fair Value Input Sensitivity

Notes Receivable and Residual Certificates

Adverse changes in the significant assumptions do not result in a material impact to the fair value of notes receivable and residual certificates as of December 31, 2025 and March 31, 2026.

Payable to Securitization Note Holders

Adverse changes in the significant assumptions do not result in a material impact to the fair value of payable to securitization note holders as of December 31, 2025 and March 31, 2026.

Rollforward of Level 3 Fair Values

The following tables present a rollforward of the notes receivable and residual certificates and payables to securitization note holders related to securitization transactions classified by the Company within Level 3 of the fair value hierarchy:

	Notes Receivable and Residual Certificates	**Payable to Securitization Note Holders**
Fair value at December 31, 2024	$ 22,055	$ 87,321
Repayments and settlements	(2,685)	(11,444)
Changes in fair value recorded in earnings	101	27
Fair value at March 31, 2025	$ 19,471	$ 75,904

(Tabular Amounts in Thousands, Except Share and Per Share Data and Ratios, or as Noted)

	Notes Receivable and Residual Certificates	Payable to Securitization Note Holders
Fair value at December 31, 2025	$ 97,416	$ 46,542
Additions	18,806	—
Repayments and settlements	(11,743)	(7,215)
Changes in fair value recorded in earnings	587	(139)
Fair value at March 31, 2026	$ 105,066	$ 39,188

Loan Servicing Assets and Liabilities

As of as of December 31, 2025 and March 31, 2026, the Company's loan servicing assets had a fair value of $40.9 million and $45.4 million, respectively, recorded within other assets on the condensed consolidated balance sheets. As of December 31, 2025 and March 31, 2026, the Company's loan servicing liabilities had a fair value of $4.4 million and $6.6 million, respectively, recorded within accrued expenses and other liabilities on the condensed consolidated balance sheets.

Valuation Methodology

Loan servicing assets and liabilities are measured at estimated fair value using a discounted cash flow model. The cash flows in the valuation model represent the difference between the contractual servicing fees charged and the estimated market servicing fee. Since contractual servicing fees are generally based on the monthly outstanding principal balance of the underlying loans, the expected cash flows in the model incorporate estimates of net losses and prepayments.

Significant Inputs and Assumptions

The following table presents quantitative information about the significant unobservable inputs used for the Company's Level 3 fair value measurements for loan servicing assets and liabilities:

	December 31, 2025			March 31, 2026		
	Minimum	Maximum	Weighted-Average (1)	Minimum	Maximum	Weighted-Average (1)
Discount rate	13.00 %	20.00 %	17.32 %	13.00 %	20.00 %	17.31 %
Credit risk rate	0.01 %	61.96 %	17.01 %	0.01 %	73.91 %	17.03 %
Market-servicing rate (2)(3)	0.62 %	2.69 %	0.65 %	0.62 %	2.69 %	0.66 %
Prepayment rate	1.96 %	96.90 %	36.50 %	0.73 %	96.90 %	36.22 %

(1) Unobservable inputs were weighted by relative fair value.
(2) Excludes ancillary fees that would be passed on to a third-party servicer.
(3) Expressed as a percentage of the outstanding principal balance of 1.16% - 2.69% for auto loans and 0.62% - 2.00% for personal loans as of December 31, 2025 and March 31, 2026.

(Tabular Amounts in Thousands, Except Share and Per Share Data and Ratios, or as Noted)

Discount rates–The discount rates are the Company's estimate of the rates of return that market participants in servicing rights would require when investing in similar servicing rights. Discount rates for servicing rights on existing loans are adjusted to reflect the time value of money and a risk premium intended to reflect the amount of compensation market participants would require due to the uncertainty associated with these instruments' cash flows.

*Credit risk rate*s–The credit risk rates are the Company's estimate of the net cumulative principal payments that will not be repaid over the entire life of a loan expressed as a percentage of the original principal amount of the loan. The assumption regarding net cumulative losses impacts the projected balances and expected terms of the loans, which are used to project future servicing revenues.

Market-servicing rates–Market-servicing rate is an estimated measure of adequate compensation for a market participant, if one was required. The rate is expressed as a fixed percentage of outstanding principal balance per annum. The estimate considers the profit that would be demanded in the marketplace to service the portfolio of outstanding loans subject to the Company's servicing agreements.

Prepayment rates–Prepayment rates are the Company's estimate of the cumulative principal prepayments that will occur over the entire life of a loan as a percentage of the original principal amount of the loan. The assumption regarding cumulative prepayments impacts the projected balances and expected terms of the loans, which are used to project future servicing revenues.

Significant Recurring Level 3 Fair Value Input Sensitivity

The table below presents the fair value sensitivity of loan servicing assets to adverse changes in market-servicing rates. The fair value of loan servicing assets and liabilities are not sensitive to adverse changes in discount rates, credit risk rates, and prepayment rates as such changes do not result in a material impact on the fair value as of December 31, 2025 and March 31, 2026. Adverse changes in market-servicing rates do not result in a material impact to the fair value of loan servicing liabilities as of December 31, 2025 and March 31, 2026.

	December 31, 2025	March 31, 2026
Fair value of loan servicing assets	$ 40,941	$ 45,437
Expected market-servicing rates		
10% market-servicing rates increase	(8,402)	(8,949)
20% market-servicing rates increase	(16,746)	(17,684)

Rollforward of Level 3 Fair Values

The following tables present a rollforward of the loan servicing assets and liabilities classified by the Company within Level 3 of the fair value hierarchy:

	Loan Servicing Assets	Loan Servicing Liabilities
Fair value at December 31, 2024	$ 27,439	$ 1,180
Sale of loans	5,537	592
Changes in fair value recorded in earnings	(4,090)	(285)
Fair value at March 31, 2025	$ 28,886	$ 1,487

(Tabular Amounts in Thousands, Except Share and Per Share Data and Ratios, or as Noted)

	Loan Servicing Assets	Loan Servicing Liabilities
Fair value at December 31, 2025	$ 40,941	$ 4,383
Sale of loans	10,079	2,605
Changes in fair value recorded in earnings	(5,583)	(342)
Fair value at March 31, 2026	$ 45,437	$ 6,646

Beneficial Interests

In connection with committed capital and other co-investment arrangements that meet a definition of a derivative (derivative beneficial interests), the Company is obligated to make payments to or is entitled to receive payments from the third-party if credit performance on the underlying loans deviates from initial expectations, subject to a dollar cap. In the arrangements that are associated with debt-like securities with embedded derivative features, the Company makes an initial investment and is entitled to a portion of cash flows received over time from the underlying loan portfolios. These cash flows vary depending on the demonstrated credit performance relative to our expectations.

As of December 31, 2025 and March 31, 2026, the fair value of the beneficial interest assets related to these arrangements was $396.2 million and $474.8 million, respectively. As of the same dates, the fair value of the beneficial interest liabilities was $5.1 million and $3.2 million, respectively.

Valuation Methodology

Beneficial interests are measured at estimated fair value using a discounted cash flow model. The discounted cash flow model sets expectations for cash flows to be received by the Company under each arrangement based on contractually-defined terms, such as total return, portfolio composition, frequency of cash distribution, and others and calculates net cash flows to be received by the Company. These net cash flows are then discounted using an estimate of market rates of return that reflect the risk premium related to those cash flows. As credit performance is demonstrated by the underlying loan portfolios, each discounted cash flow model is periodically updated to determine future cash inflows and outflows based on the latest estimated performance for the duration of each arrangement. The discounted cash flow model uses inputs discussed below that are inherently judgmental and reflect the Company’s best estimates of the assumptions a market participant would use to determine fair value of our beneficial interests.

(Tabular Amounts in Thousands, Except Share and Per Share Data and Ratios, or as Noted)

Significant Inputs and Assumptions

The following table presents quantitative information about the significant unobservable inputs used for the Company's fair value measurements of beneficial interests as of December 31, 2025 and March 31, 2026:

	December 31, 2025			March 31, 2026		
	Minimum	Maximum	Weighted-Average(1)	Minimum	Maximum	Weighted-Average(1)
Beneficial interest assets						
Discount rate	6.50 %	14.50 %	12.90 %	6.50 %	14.50 %	12.44 %
Credit risk rate spread(2)	(7.59)%	13.42 %	0.89 %	(9.13)%	12.73 %	1.81 %
Prepayment rate spread(3)	(7.56)%	15.50 %	3.60 %	(8.51)%	16.58 %	3.17 %
Beneficial interest liabilities						
Discount rate	13.25 %	13.25 %	13.25 %	10.40 %	12.75 %	12.72 %
Credit risk rate spread(2)	(5.45)%	9.18 %	1.90 %	(5.51)%	7.92 %	2.28 %

(1) Unobservable inputs were weighted by relative fair value.
(2) Expressed as a percentage of cumulative net loss expectations as of the valuation date compared to the initial expectations.
(3) Expressed as a percentage of cumulative principal prepayment expectations as of the valuation date compared to the initial expectations.

Discount rates–The discount rates are rates of return used to discount future expected cash flows to arrive at a present value, which represents the fair value. The discount rates used for the projected net cash flows are the Company's estimates of the rates of return that market participants would require when investing in these financial instruments with cash flows dependent on credit performance of the underlying loan portfolio. A risk premium component is implicitly included in the discount rates to reflect the amount of compensation market participants require due to the uncertainty inherent in the instruments' cash flows resulting from risks such as credit and liquidity. The Company uses different discount rates depending on the type of underlying collateral well as for expected cash flows associated with demonstrated to-date credit performance and those associated with future credit performance. The difference in these rates reflects the level of uncertainty and, as a result, risk premium that would be required by market participants when investing in these instruments.

Credit risk rate spreads–Credit risk rate spreads are the measurement of estimated credit performance of underlying loan portfolios as of the reporting date in comparison to the Company's estimates at the time of origination or sale of loans under these arrangements ("initial expectation"). More specifically, credit risk rate spreads are the difference between the initial expectation of the cumulative principal of a loan portfolio, net of average recoveries, that is estimated to not be repaid over the life of a beneficial interest ("cumulative net loss") and the same estimate as of the reporting date. A positive credit risk rate spread indicates that the estimated cumulative net loss as of the reporting period is higher than the initial expectation for a particular portfolio. A negative credit risk rate spread indicates the opposite – the estimated cumulative net loss as of the reporting period is lower than the initial expectation. Credit risk rate spreads are expressed as a percentage of the initial expectation of the cumulative total net losses. The difference between the initial and current expectation of estimated cumulative net losses impacts the amount and the timing of cash flows the Company expects to receive on beneficial interest assets or to pay for beneficial interest liabilities.

(Tabular Amounts in Thousands, Except Share and Per Share Data and Ratios, or as Noted)

Prepayment rate spreads–Prepayment rate spreads are the measurement of estimated prepayments on the underlying loan portfolios as of the reporting date in comparison to the Company's initial expectation. More specifically, prepayment rate spreads are the difference between the initial expectation of cumulative principal prepayments that will occur over the life of a beneficial interest ("cumulative prepayment") and the same estimate as of the reporting date. A positive prepayment rate spread indicates that the estimated cumulative prepayments as of the reporting period is higher than the initial expectation for a particular portfolio. A negative prepayment rate spread indicates the opposite – the estimated cumulative prepayments as of the reporting period is lower than the initial expectation. Prepayment rate spreads are expressed as a percentage of the initial expectation of the cumulative total prepayments. The difference between the initial and current expectation of estimated cumulative prepayment impacts the amount and the timing of cash flows the Company expects to receive on beneficial interest assets or to pay for beneficial interest liabilities.

The following table presents the sensitivity of beneficial interest assets and liabilities to adverse changes in significant assumptions used in the valuation model as of December 31, 2025 and March 31, 2026. The Company adversely shocks the credit risk rate and prepayment rate on the underlying loan portfolios rather than the spreads. Adverse changes in discount rates and prepayment rates do not result in a material impact to the fair value of beneficial interest liabilities as of December 31, 2025 and March 31, 2026.

Significant Recurring Level 3 Fair Value Input Sensitivity

	December 31, 2025	March 31, 2026
Fair value of beneficial interest assets	$ 396,216	$ 474,796
Discount rate		
100 basis point increase	(4,912)	(5,902)
200 basis point increase	(9,676)	(11,624)
Expected credit risk rate on underlying loans		
10% adverse change	(80,110)	(99,319)
20% adverse change	(158,190)	(196,247)
Expected prepayment rate on underlying loans		
10% adverse change	(7,798)	(9,045)
20% adverse change	(15,244)	(18,873)
Fair value of beneficial interest liabilities	$ 5,075	$ 3,235
Expected credit risk rate on underlying loans		
10% adverse change	22,409	12,891
20% adverse change	44,420	26,108

(Tabular Amounts in Thousands, Except Share and Per Share Data and Ratios, or as Noted)

Rollforward of Level 3 Fair Values

The following tables presents a rollforward of beneficial interest assets and liabilities:

	Beneficial Interest Assets	Beneficial Interest Liabilities
Fair value at December 31, 2024	$ 176,848	$ 10,089
Acquisition of beneficial interests	38,438	—
Settlement of beneficial interests, net	(16,308)	(5,992)
Changes in fair value recorded in earnings	17,600	(65)
Fair value at March 31, 2025	$ 216,578	$ 4,032

	Beneficial Interest Assets	Beneficial Interest Liabilities
Fair value at December 31, 2025	$ 396,216	$ 5,075
Acquisition of beneficial interests	114,072	—
Settlement of beneficial interests, net	(45,705)	1,081
Changes in fair value recorded in earnings	10,213	(2,921)
Fair value at March 31, 2026	$ 474,796	$ 3,235

Trailing Fee Liabilities

The Company pays certain lending partners monthly trailing fees based on the amount and timing of principal payments made by borrowers of the underlying loans. The Company held trailing fee liabilities of $5.8 million and $6.0 million as of December 31, 2025 and March 31, 2026, respectively.

Valuation Methodology

The discounted cash flow methodology, which is used to estimate the fair value of trailing fee liabilities, uses the same projected net cash flows as the underlying loans. The fair valuation methodology considers projected prepayments and historical defaults, losses and recoveries to project future losses and net cash flows of the underlying loans. Net cash flows are discounted using an estimate of market rates of return.

Significant Inputs and Assumptions

The following table presents quantitative information about the significant unobservable inputs used for the Company's Level 3 fair value measurements for trailing fee liabilities:

	December 31, 2025			March 31, 2026		
	Minimum	Maximum	Weighted-Average (1)	Minimum	Maximum	Weighted-Average (1)
Discount rate	5.00 %	14.78 %	10.15 %	5.48 %	15.05 %	10.03 %
Credit risk rate	0.04 %	67.59 %	19.48 %	0.02 %	67.59 %	19.62 %
Prepayment rate	1.52 %	95.77 %	34.59 %	0.89 %	95.53 %	34.65 %

(1) Unobservable inputs were weighted by relative fair value.

(Tabular Amounts in Thousands, Except Share and Per Share Data and Ratios, or as Noted)

Significant Recurring Level 3 Fair Value Input Sensitivity

Adverse changes in significant assumptions do not result in a material impact to the fair value of trailing fee liabilities as of December 31, 2025 and March 31, 2026.

Rollforward of Level 3 Fair Values

The following tables present a rollforward of trailing fee liabilities classified by the Company within Level 3 of the fair value hierarchy:

	Trailing Fee Liabilities
Fair value at December 31, 2024	$ 4,614
Issuances	700
Repayments and settlements	(603)
Changes in fair value recorded in earnings	(137)
Fair value at March 31, 2025	$ 4,574

	Trailing Fee Liabilities
Fair value at December 31, 2025	$ 5,761
Issuances	1,175
Repayments and settlements	(848)
Changes in fair value recorded in earnings	(108)
Fair value at March 31, 2026	$ 5,980

6. Goodwill and Intangible Assets

Goodwill

Goodwill balance was $67.1 million as of both December 31, 2025 and March 31, 2026. The Company recognized no impairment charges related to goodwill during the three months ended March 31, 2025 and 2026.

Intangible Assets

Acquired intangible assets subject to amortization consist of customer relationships, and are recorded net of amortization and included within other assets on the condensed consolidated balance sheets. The gross and net carrying values and accumulated amortization are as follows:

	December 31, 2025			March 31, 2026		
	Gross Carrying Value	Accumulated Amortization	Net Carrying Value	Gross Carrying Value	Accumulated Amortization	Net Carrying Value
Customer relationships	$ 13,700	$ (5,423)	$ 8,277	$ 13,700	$ (5,708)	$ 7,992

Amortization expense was immaterial for the three months ended March 31, 2025 and 2026.

(Tabular Amounts in Thousands, Except Share and Per Share Data and Ratios, or as Noted)

Expected future amortization expense for intangible assets is as follows:

	March 31, 2026
Remaining 2026	$ 856
2027	1,142
2028	1,142
2029	1,142
2030	1,142
Thereafter	2,568
Total	$ 7,992

7. Balance Sheet Components

Other Assets

Other assets consisted of the following:

	December 31, 2025	March 31, 2026
Receivables	46,647	46,068
Loan servicing assets (at fair value)[(1)]	40,941	45,437
Prepaid expenses	39,658	40,588
Other assets	17,379	12,844
Intangible assets, net[(2)]	8,289	8,004
Deposits	5,057	1,620
Total other assets	$ 157,971	$ 154,561

(1) Refer to "*Note 5. Fair Value Measurement*" for further information.
(2) Refer to "*Note 6. Goodwill and Intangible Assets*" for further information.

Receivables represent amounts recognized as revenue but not yet collected in relation to servicing and other agreements with institutional investors and lending partners.

(Tabular Amounts in Thousands, Except Share and Per Share Data and Ratios, or as Noted)

Property, Equipment, and Software, Net

Property, equipment, and software, net consisted of the following:

	December 31, 2025	March 31, 2026
Internally developed software	$ 95,923	$ 101,884
Leasehold improvements	15,519	18,134
Computer and networking equipment	6,358	6,484
Furniture and fixtures	4,795	5,306
Total property, equipment, and software	122,595	131,808
Accumulated depreciation and amortization	(78,421)	(83,806)
Total property, equipment, and software, net	$ 44,174	$ 48,002

For the three months ended March 31, 2025 and 2026, depreciation and amortization expense on property, equipment, and software was $6.1 million and immaterial, respectively.

Capitalized internally developed software balances, net of accumulated amortization, were $38.5 million and $40.2 million as of December 31, 2025 and March 31, 2026, respectively. The Company recognized no impairment charges to internally developed software during the three months ended March 31, 2025 and 2026.

Accrued Expenses and Other Liabilities

Accrued expenses and other liabilities consisted of the following:

	December 31, 2025	March 31, 2026
Accrued expenses	$ 68,232	$ 58,865
Accounts payable	31,981	22,719
Accrued payroll	49,275	16,217
Other liabilities	6,788	10,929
Loan servicing liabilities (at fair value)	4,383	6,646
Trailing fee liability (at fair value)	5,761	5,980
Beneficial interest liabilities (at fair value)	5,075	3,235
Total accrued expenses and other liabilities	$ 171,495	$ 124,591

(Tabular Amounts in Thousands, Except Share and Per Share Data and Ratios, or as Noted)

8. Borrowings

The following table presents the aggregate principal outstanding of all borrowings that are included in the condensed consolidated balance sheets:

	December 31, 2025	March 31, 2026
Warehouse credit facilities	$ 97,333	$ 183,307
Risk retention financing facility	75,647	80,661
Convertible senior notes	1,687,794	1,687,794
Total payments due	1,860,774	1,951,762
Unamortized debt discount	(31,629)	(30,097)
Total borrowings	$ 1,829,145	$ 1,921,665

The following table summarizes the aggregate amount of maturities of all borrowings:

	March 31, 2026
Remaining 2026	$ 66,544
2027	—
2028	183,307
2029	431,250
2030	500,000
Thereafter	770,661
Total	$ 1,951,762

Warehouse Credit Facilities

The following table presents the details of the Company's revolving warehouse credit facilities:

				December 31, 2025		March 31, 2026	
	Stated Interest Rate[1]	Termination and Maturity[2]	Total Borrowing Capacity[3]	Collateral[4]	Outstanding Borrowings	Collateral[4]	Outstanding Borrowings
Upstart Auto Warehouse Trust 2	Benchmark rate + 0% - 4.0%	August 2026 and August 2027	$ 150,000	$ 3	$ 1	$ —	$ —
Upstart Loan Trust	Benchmark rate + 1.8% - 3.4%	June 2027 and June 2028	325,000	56,255	23,025	194,751	109,000
Upstart Small Dollar Loan Trust	Benchmark rate + 5.5%	June 2027 and June 2028	100,000	128,973	74,307	135,404	74,307
Total			$ 575,000	$ 185,231	$ 97,333	$ 330,155	$ 183,307

(1) The interest rates on our warehouse credit facilities are floating and designed as a reference rate plus a spread. Reference rates include the Compounded Secured Overnight Financing Rate, the Term Secured Overnight Financing Rate, and the weighted-average cost of

commercial paper notes issued by the lender. The stated interest rate excludes maximum unused commitment fees of 1.0%. The undrawn fee for Upstart Small Dollar Loan Trust is the dollar amount of interest and fees that would have been due if the daily average aggregate outstanding principal balance was equal to 75% of the then-applicable borrowing base.

(2) The first date represents the final date the Company may borrow up to the maximum capacity under the warehouse. The second date is the maturity date, when the outstanding principal amount, together with accrued and unpaid interest will be due and payable in full.

(3) Total capacity is as of March 31, 2026. Upstart Small Dollar Loan Trust has $100.0 million of uncommitted capacity and Upstart Loan Trust has $150.0 million of uncommitted capacity out of the $325.0 million total.

(4) Represents the aggregate restricted cash and unpaid principal balance of loans pledged as collateral.

The Company's warehouse credit facilities contain certain financial covenants. On April 15, 2026, the Company obtained a waiver under the Upstart Loan Trust warehouse facility related to breaches of certain financial covenants for the March 2026 collection period. As of March 31, 2026, the Company was in compliance with all applicable covenants for its other warehouse credit facilities.

Risk Retention Financing Facility

In June 2025, the Company entered into a $100.0 million risk retention financing facility to finance certain securitization notes receivable it retained in a capacity of the risk retention sponsor under applicable risk retention regulations. Under this facility, the Company pledged the securitization notes receivable as collateral. The facility's maturity aligns with the stated maturities of the underlying notes, which range from 2026 to 2036. The facility is accounted for as a secured borrowing.

As of March 31, 2026, the outstanding balance of the facility was $80.7 million, presented within borrowings on the condensed consolidated balance sheets. The fair value of the securitization notes receivable pledged was $80.4 million, $78.3 million of which is presented within notes receivable and residual certificates (at fair value) on the condensed consolidated balance sheets and $2.1 million related to the consolidated securitization. The financing bears interest at the weighted-average coupon of the pledged securities plus a 0.40% spread.

Pledged collateral levels are monitored and maintained at an agreed-upon percentage of the outstanding borrowings during the life of the borrowing. In the event of a decline in the fair value of the pledged collateral, the Company may be required to transfer cash or pledge additional securities under this facility.

On April 22, 2026 the risk retention financing facility was amended to increase the maximum facility amount from $100.0 million to $200.0 million.

Convertible Senior Notes

In August 2021, the Company issued $661.3 million in aggregate principal amount of 0.25% convertible senior notes due 2026 (the "2026 Notes"). In September 2024, the Company issued $431.3 million in aggregate principal amount of 2.00% convertible senior notes due 2029 (the "2029 Notes"). In November 2024, the Company issued $500.0 million in aggregate principal amount of 1.00% convertible senior notes due 2030 (the "2030 Notes"). In August 2025, the Company issued $690.0 million in aggregate principal amount of 0% convertible senior notes due 2032 (the "2032 Notes" and, together with the 2026 Notes, 2029 Notes and 2030 Notes, the "Notes").

Concurrently with the issuance of the 2029 Notes and the 2032 Notes, the Company repurchased portions of the 2026 Notes. In the third quarter of 2024, the Company used approximately $302.4 million of the net proceeds from the offering of the 2029 Notes to repurchase approximately $334.2 million in aggregate principal amount of the outstanding 2026 Notes in individually negotiated transactions and additionally repurchased approximately $27.9 million of the outstanding 2026 Notes in open-market purchases. In August 2025, the Company used approximately $224.2 million of the net proceeds from the offering of the 2032 Notes to repurchase approximately $232.6 million in aggregate principal amount of the outstanding 2026 Notes in individually negotiated transactions.

(Tabular Amounts in Thousands, Except Share and Per Share Data and Ratios, or as Noted)

The repurchases of the 2026 Notes were accounted for as a debt extinguishment. The difference between the consideration paid to repurchase the 2026 Notes and the carrying value of the 2026 Notes, resulted in a gain on debt extinguishment of $33.4 million and $7.2 million separately reported on the condensed consolidated statement of operations and comprehensive income (loss) during the third quarter of 2024 and 2025, respectively. The partial extinguishments did not result in any changes to the terms of the 2026 Notes.

Each series of Notes is governed by its respective indenture (each, an "Indenture"), and represents senior unsecured obligations of the Company. The 2026 Notes mature on August 15, 2026, the 2029 Notes mature on October 1, 2029, the 2030 Notes mature on November 15, 2030, and the 2032 Notes mature on February 15, 2032, unless such Notes are earlier converted, redeemed, or repurchased in accordance with their terms. The Company may redeem for cash all or any portion of the Notes, at its option, on or after August 20, 2024, in the case of the 2026 Notes, on or after October 6, 2027, in the case of the 2029 Notes, on or after November 20, 2027, in the case of the 2030 Notes, and on or after August 20, 2028, in the case of the 2032 Notes, if the last reported sale price of the Company's common stock has been at least 130% of the conversion price for the Notes of the applicable series then in effect for at least 20 trading days (whether or not consecutive) during any 30 consecutive trading-day period (including the last trading day of such period) ending on, and including, the trading day immediately preceding the date on which the Company provides a notice of redemption for the Notes of such series at a redemption price equal to 100% of the principal amount of the Notes of such series to be redeemed, plus any accrued and unpaid interest (or special interest, if any, in the case of the 2032 Notes) to, but excluding, the redemption date.

The following table presents details of the Notes:

	Interest Rate	Initial Conversion Rate per $1,000 Principal	Initial Conversion Price	Conversion Date
2026 Notes	0.25%; payable semiannually on February 15 and August 15	3.5056	$285.26	May 15, 2026
2029 Notes	2.00%; payable semiannually on April 1 and October 1	21.9029	$45.66	July 1, 2029
2030 Notes	1.00%; payable semiannually on May 15 and November 15	10.8702	$91.99	August 15, 2030
2032 Notes	0%	12.1215	$82.50	November 15, 2031

Holders of the Notes may convert their Notes at their option any time prior to the close of business on the business day immediately preceding May 15, 2026, in the case of the 2026 Notes; July 1, 2029, in the case of the 2029 Notes; August 15, 2030, in the case of the 2030 Notes; and November 15, 2031, in the case of the 2032 Notes, only under the following circumstances:

(1) during any calendar quarter commencing after December 31, 2021, in the case of the 2026 Notes, December 31, 2024, in the case of the 2029 Notes, March 31, 2025, in the case of the 2030 Notes and December 31, 2025, in the case of the 2032 Notes, (and only during such calendar quarter), if the last reported sale price of the Company's common stock for at least 20 trading days (whether or not consecutive) during a period of 30 consecutive trading days ending on, and including, the last trading day of the immediately preceding calendar quarter is greater than or equal to 130% of the applicable conversion price for the respective Notes on each applicable trading day;

(2) during the five business-day period after any five consecutive trading-day period in which the trading price per $1,000 principal amount of the applicable series of Notes for each trading day of such five consecutive trading-day period was less than 98% of the product of the last reported sale price of the Company's common stock and the conversion rate of the respective Notes on each such trading day;

(3) if the Company calls any or all of the Notes of the applicable series for redemption, at any time prior to the close of business on the second scheduled trading day immediately preceding the redemption date; or

(4) upon the occurrence of specified corporate events.

On or after May 15, 2026, in the case of the 2026 Notes, July 1, 2029, in the case of the 2029 Notes, August 15, 2030, in the case of the 2030 Notes, and November 15, 2031, in the case of the 2032 Notes, holders of the Notes of the applicable series may surrender all or any portion of their Notes of such series for conversion at any time prior to the close of business on the second scheduled trading day immediately preceding the applicable maturity date regardless of the foregoing conditions. Upon conversion, the Company will pay or deliver, as the case may be, either cash, shares of common stock or a combination of cash and shares of common stock, at its election.

The conversion price for each series of Notes will be subject to adjustment if certain events occur. In addition, following certain corporate events that may occur prior to the applicable maturity date or following the Company's issuance of a notice of redemption for a series of Notes, the Company may be required to increase the conversion rate for the holder of the Notes of such series who elect to convert such Notes in connection with such corporate event or during the related redemption period in certain circumstances. Additionally, upon the occurrence of a corporate event that constitutes a "fundamental change" pursuant to the applicable Indenture, holders of the applicable series of Notes may require the Company to repurchase for cash all or a portion of such Notes at a repurchase price equal to 100% of the principal amount of the Notes of such series to be redeemed plus accrued and unpaid interest (or special interest, if any, in the case of the 2032 Notes) to, but excluding, the fundamental change repurchase date.

The Company accounted for the issuance of each series of the Notes as a single liability at par as the conversion feature of each series of Notes does not require bifurcation as a derivative under ASC 815 and the Notes were not issued at a substantial premium. Debt issuance costs related to the 2026 Notes, 2029 Notes, 2030 Notes and 2032 Notes totaled $15.7 million, $10.4 million, $11.8 million, and $14.4 million respectively, which are amortized to interest expense under the effective interest method over the contractual term. The effective interest rate of the 2026 Notes, 2029 Notes, 2030 Notes and 2032 Notes is 0.7%, 2.5%, 1.4%, and 0.3% respectively.

The Company recorded an immaterial amount of coupon interest expense and an immaterial amount of amortization of debt issuance costs related to the Notes for all periods presented. These amounts were presented within other income, net for the three months ended March 31, 2025 and within interest expense for the three months ended March 31, 2026 in the condensed consolidated statements of operations and comprehensive loss. Accrued interest expenses related to the Notes were immaterial and $6.2 million as of December 31, 2025 and March 31, 2026, respectively.

The following table presents the components of the Notes as of December 31, 2025 and March 31, 2026:

	December 31, 2025				March 31, 2026			
	Principal Amount	Unamortized Debt Discount	Net Carrying Amount	Fair Value	Principal Amount	Unamortized Debt Discount	Net Carrying Amount	Fair Value
2026 Notes	$ 66,544	$ (209)	$ 66,335	$ 63,958	$ 66,544	$ (132)	$ 66,412	$ 65,038
2029 Notes	431,250	(7,933)	423,317	566,500	431,250	(7,427)	423,823	421,465
2030 Notes	500,000	(9,643)	490,357	461,614	500,000	(9,164)	490,836	364,090
2032 Notes	690,000	(13,613)	676,387	573,687	690,000	(13,063)	676,937	448,224
Total	$ 1,687,794	$ (31,398)	$ 1,656,396	$ 1,665,759	$ 1,687,794	$ (29,786)	$ 1,658,008	$ 1,298,817

The estimated fair value represents Level 2 valuations in the fair value hierarchy and was determined based on the estimated or actual bids and offers of the Notes in an over-the-counter market.

Capped Call Transactions

In connection with the issuance of the 2026 Notes, the 2029 Notes, and the 2032 Notes, the Company entered into separate privately negotiated capped call instruments with certain financial institutions (the “2026 Capped Calls,” with respect to the 2026 Notes, the “2029 Capped Calls,” with respect to the 2029 Notes, the “2032 Capped Calls,” with respect to the 2032 Notes, and the 2026 Capped Calls together with the 2029 Capped Calls and the 2032 Capped Calls, the “Capped Calls”).

The Capped Calls are generally expected to reduce the potential dilution to the Company’s common stock upon any conversion of the 2026 Notes, 2029 Notes and 2032 Notes, as applicable, and/or offset any cash payments the Company is required to make in excess of the principal amount of such converted 2026 Notes, 2029 Notes, and 2032 Notes as the case may be, in the event the market price per share of the Company’s common stock, as measured under the terms of the Capped Calls, is greater than the strike price of the Capped Calls, with such reduction and/or offset subject to a cap. If, however, the market price per share of the common stock, as measured under the terms of the Capped Calls, exceeds the cap price of the Capped Calls, there would be dilution and/or there would not be an offset of such potential cash payments, in each case, to the extent that such market price per share of the Company’s common stock exceeds the cap price of the Capped Calls.

The following table sets forth other key terms for the Capped Calls related to each series of Notes:

	Initial Strike Price per Share, Subject to Certain Adjustments	Initial Cap Price per Share, Subject to Certain Adjustments	Shares of Common Stock Covered, Subject to Anti-Dilution Adjustments (in millions)	Final Expiration Date
2026 Capped Calls	$285.26	$400.36	0.2	August 15, 2026
2029 Capped Calls	$45.66	$70.24	9.4	September 27, 2029
2032 Capped Calls	$82.50	$126.92	8.4	February 15, 2032

(Tabular Amounts in Thousands, Except Share and Per Share Data and Ratios, or as Noted)

The Capped Calls were determined to be freestanding financial instruments that meet the criteria for classification in equity; as such, the Capped Calls were recorded as a reduction of additional paid-in capital within stockholders' equity.

In the third quarter of 2024 and 2025, in connection with the partial repurchases of the 2026 Notes described above, the Company entered into agreements to terminate portions of the 2026 Capped Calls corresponding to the aggregate principal amounts of the 2026 Notes repurchased. As a result of these partial terminations, the Company received immaterial cash payments which were recorded as an increase to additional paid-in capital within stockholders' equity.

9. Stockholders' Equity

Common Stock Reserved for Future Issuance

In December 2020, the Company's amended and restated certificate of incorporation became effective, which authorizes the issuance of 700,000,000 shares of common stock with a par value of $0.0001 per share. Shares of common stock reserved for issuance, on an as-converted basis, are as follows:

	December 31, 2025	March 31, 2026
Options issued and outstanding	9,204,983	9,220,829
Restricted stock units outstanding	2,276,156	4,743,205
Performance-based restricted stock units outstanding	—	1,726,737
Shares available for future issuance under 2020 plan	10,922,232	7,469,133
Shares available for issuance under employee stock purchase plan	4,140,207	4,943,276
Total	26,543,578	28,103,180

Share Repurchase Program

In February 2022, the Board of Directors authorized the Company to purchase up to $400.0 million of common stock of the Company. The Company may repurchase shares from time to time through open market purchases, in privately negotiated transactions or by other means, including through the use of trading plans intended to qualify under Rule 10b5-1. The repurchase program does not obligate the Company to acquire any particular amount of its common stock, and may be suspended or terminated by the Company at any time at its discretion without prior notice.

The Company records share repurchases on the settlement date. Repurchased shares are subsequently retired and returned to the status of authorized but unissued. The Company's policy for share retirements is to allocate the excess between par value and the repurchase price, including costs and fees, to additional paid-in capital. During the three months ended March 31, 2026, the Company repurchased, and subsequently retired, 3.2 million shares of common stock for $100.1 million at an average cost of $31.31 per share. As of March 31, 2026, $122.1 million remains available for future purchases of our common stock under the share repurchase program.

At-the-Market Program

On February 14, 2025, in connection with the commencement of an "at the market" offering program, the Company entered into a Sales Agreement, under which the Company may offer and sell, from time to time, up to an aggregate of $500.0 million of its common stock. The Company will pay a commission of up to 2% of the gross proceeds of shares sold, if any, under the Sales Agreement and intends to use the net proceeds from sales for working capital and general corporate purposes. As of March 31, 2026, no shares were issued under the program.

(Tabular Amounts in Thousands, Except Share and Per Share Data and Ratios, or as Noted)

Equity Incentive Plans

The 2020 Equity Incentive Plan authorizes grants of incentive stock options, non-statutory stock options, stock appreciation rights, restricted stock, restricted stock units ("RSUs"), and performance-based restricted stock units ("PRSUs") to eligible participants.

Stock Options

The following table summarizes stock option activity for the three months ended March 31, 2026:

	Number of Options	Weighted-Average Exercise Price Per Share	Weighted-Average Remaining Contractual Life (years)	Aggregate Intrinsic Value
Balances at December 31, 2025	9,204,983	$ 23.11	5.3	$ 247,040
Options granted	134,675	27.23		
Options exercised	(88,685)	7.08		
Options cancelled and forfeited	(30,144)	25.44		
Balances at March 31, 2026	9,220,829	23.32	5.2	103,883
Options exercisable – March 31, 2026	7,399,833	20.18	4.4	98,214
Options vested and expected to vest – March 31, 2026	9,207,104	$ 23.30	5.2	$ 103,880

The aggregate intrinsic value is calculated as the difference between the exercise price of the underlying awards and the fair value of the Company's stock as of March 31, 2026. The aggregate intrinsic value of options exercised for the three months ended March 31, 2025 and 2026 was $37.9 million and $2.4 million respectively. The weighted-average grant date fair value of options granted during the three months ended March 31, 2025 and 2026 was $35.74 and $16.38 per share, respectively. The total fair value of options vested for the three months ended March 31, 2025 and 2026 was $6.5 million and $4.9 million, respectively.

As of March 31, 2026, total unrecognized stock-based compensation expense related to unvested stock options was $30.9 million, which is expected to be recognized over a remaining weighted-average period of 1.7 years.

(Tabular Amounts in Thousands, Except Share and Per Share Data and Ratios, or as Noted)

Restricted Stock Units

The Company grants RSUs to employees and non-employees. RSUs vest upon satisfaction of a service-based condition, which is generally satisfied over one to four years. The following table summarizes RSU activity for the three months ended March 31, 2026:

	Number of Shares	Weighted-Average Grant Date Fair Value Per Share
Unvested at December 31, 2025	2,276,156	$ 47.43
RSUs granted	3,202,172	27.45
RSUs vested	(602,976)	52.16
RSUs cancelled and forfeited	(132,147)	34.10
Unvested at March 31, 2026	4,743,205	$ 33.63

As of March 31, 2026, total unrecognized stock-based compensation expense related to outstanding unvested RSUs was $131.6 million, which is expected to be recognized over a remaining weighted-average period of 1.4 years.

Performance-based Restricted Stock Units

During the three months ended March 31, 2026, the Company granted PRSUs to certain executives. The awards are subject to both performance and service-based vesting conditions and the number of shares that may be earned at the end of the four year performance period is based on applicable market-based performance targets with potential adjustment based on financial performance metrics. The expense is recognized on a straight-line basis over the requisite service period.

The following table summarizes PRSU activity for the three months ended March 31, 2026:

	Number of Shares	Weighted-Average Grant Date Fair Value Per Share
Unvested at December 31, 2025	—	$ —
PRSUs granted	1,726,737	56.20
Unvested at March 31, 2026	1,726,737	$ 56.20

As of March 31, 2026, total unrecognized stock-based compensation expense related to outstanding unvested PRSUs was $95.1 million, which is expected to be recognized over a remaining weighted-average period of 3.9 years.

2020 Employee Stock Purchase Plan

Our employee stock purchase plan (“ESPP”) provides for consecutive six-month offering periods. The offering periods are scheduled to start on the first trading day on or after February 15 and August 15 of each year. The ESPP permits participants to purchase shares in the amount of 85% of the lower of the fair market value of our shares of common stock on the first trading day of the offering period or on the exercise date. During the three months ended March 31, 2026, 177,378 shares of common stock were purchased under the ESPP.

As of March 31, 2026, total unrecognized stock-based compensation expense related to the ESPP was immaterial.

(Tabular Amounts in Thousands, Except Share and Per Share Data and Ratios, or as Noted)

Fair Value of Awards Granted

In determining the fair value of stock-based awards, the Company uses a Black-Scholes option-pricing model for its options granted and ESPP purchase rights and a Monte Carlo simulation model for its PRSUs. The inputs used for estimating the fair values of options, ESPP purchase rights and PRSUs granted during the period include:

Fair Value of Common Stock–The fair value of the Company's common stock is determined by the closing price, on the date of grant, of its common stock, which is traded on the Nasdaq Global Select Market.

Expected Term–The expected term represents the period that the Company's stock options and ESPP purchase rights are expected to be outstanding. We estimate the expected term for stock options based on the simplified method, which is the weighted-average time to vesting and the contractual maturity. For ESPP, the expected term represents the term from the first day of the offering period to the purchase date. For PRSUs, the expected term is the simulation term, the time period from the valuation date to the end of the performance measurement period.

Volatility–The Company estimates the expected volatility for stock options and PRSUs based on the weighted-average historical volatility of the Company's common stock and the average volatility for comparable publicly-traded companies, over a period equal to the expected term. Previously, expected volatility was based solely on historical volatility of comparable publicly-traded peer companies. For ESPP, the expected volatility is estimated using historical volatility of the Company's common stock over the expected term.

Risk-free Interest Rate–The risk-free interest rate assumption is based on the U.S. Treasury zero coupon issues in effect at the time of grant for periods corresponding with the expected term of the award.

Dividends–The Company has never paid dividends on its common stock and does not anticipate paying dividends on common stock for the foreseeable future. Therefore, the Company uses an expected dividend yield of zero.

The following assumptions were used to estimate the fair value of options granted:

	Three Months Ended March 31,	
	2025	**2026**
Expected term (in years)	5.2 – 7.0	5.2 – 5.7
Expected volatility	50.66% – 53.33%	65.70%
Risk-free interest rate	3.96% – 4.09%	3.51% – 3.62%
Dividend yield	—%	—%

The following assumptions were used to estimate the fair value of ESPP purchase rights:

	Three Months Ended March 31,	
	2025	**2026**
Expected term (in years)	0.5	0.5
Expected volatility	99.09%	71.86%
Risk-free interest rate	4.34%	3.59%
Dividend yield	—%	—%

(Tabular Amounts in Thousands, Except Share and Per Share Data and Ratios, or as Noted)

The following assumptions were used to estimate the fair value of PRSUs granted:

	Three Months Ended March 31,
	2026
Expected term (in years)	3.9 – 4.0
Expected volatility	93.23% – 94.73%
Risk-free interest rate	3.42% – 3.82%
Dividend yield	—%

Stock-Based Compensation

The Company recorded stock-based compensation in the following expense categories in its condensed consolidated statements of operations and comprehensive loss for employees and non-employees:

	Three Months Ended March 31,	
	2025	2026
Sales and marketing	$ 2,703	$ 3,026
Customer operations	1,646	1,895
Engineering and product development	14,552	18,754
General, administrative, and other	10,930	11,136
Total	$ 29,831	$ 34,811

10. Leases

The Company's operating leases expire between 2026 and 2029 and are primarily for its corporate headquarters in San Mateo, California, as well as additional office space in Columbus, Ohio and Austin, Texas. Certain leases have rent abatement, escalating rent payment provisions, lease renewal options, and tenant allowances. Rent expense is recognized on a straight-line basis over the non-cancelable lease term, except when it is reasonably certain that the renewal option will be exercised.

During the year ended December 31, 2025, the Company amended its operating lease for its San Mateo office space, which revised the remaining lease term and future lease payments. The amendment resulted in a remeasurement of the related operating lease liability and a corresponding adjustment to the right-of-use asset, reducing both balances by $15.4 million.

Future minimum lease payments are as follows:

	March 31, 2026
Remaining 2026	$ 6,647
2027	5,558
2028	4,441
2029	2,990
Total undiscounted lease payments	19,636
Less: Present value adjustment	(2,088)
Operating lease liabilities	$ 17,548

(Tabular Amounts in Thousands, Except Share and Per Share Data and Ratios, or as Noted)

As of March 31, 2026, the Company had entered into leases that have not yet commenced with total future lease payments of approximately $66.2 million. These leases are expected to commence during fiscal year 2026, with initial lease terms ranging from 8 to 11 years.

The Company had no finance lease expense during the three months ended March 31, 2025 and 2026. The Company's operating lease expense consists of rent and variable lease payments. Variable lease payments such as common area maintenance and parking fees, were included in operating expenses. Rent expense for the Company's short-term leases was immaterial during the periods presented. The Company had immaterial sublease income during the three months ended March 31, 2025 and 2026.

Operating lease expense was as follows:

	Three Months Ended March 31,	
	2025	2026
Rent expense	$ 3,571	$ 3,194
Variable lease payments	$ 960	$ 1,081

Supplemental cash flow and non-cash information related to the Company's operating leases was as follows:

	Three Months Ended March 31,	
	2025	2026
Cash paid for amounts included in the measurement of lease liabilities	$ 3,612	$ 3,960

Supplemental balance sheet information related to the Company's operating leases was as follows:

	December 31, 2025	March 31, 2026
Weighted-average remaining lease term (in years)	2.70	2.74
Weighted-average discount rate	7.13%	7.37%

11. Commitments and Contingencies

Commitments

The Company has loan purchase obligations under the Company's loan agreements with certain lending partners. These lending partners retain ownership of the loans facilitated through Upstart's platform for three days or longer (the "holding period") after origination, as required under the respective agreements. The Company has committed to purchase the loans at the conclusion of the required holding period. As of December 31, 2025 and March 31, 2026, the total loan purchase commitment included outstanding principal balance of $116.9 million and $120.7 million, respectively.

The Company has commitments to fund future advances on HELOCs. As of December 31, 2025 and March 31, 2026, these commitments were $18.0 million and $21.6 million, respectively, however, since these commitments could expire without being drawn upon, the total commitment amounts do not necessarily represent future cash requirements.

Contingencies

Accounting for contingencies requires the Company to use judgment related to both the likelihood of a loss and the estimate of the amount or range of loss. The Company records a loss contingency when it is probable that a liability has been incurred and the amount of the loss can be reasonably estimated. The Company discloses material contingencies when it believes a loss is not probable but reasonably possible and may voluntarily provide information on additional contingencies.

From time to time the Company is subject to, and it is presently involved in, various litigation and legal proceedings arising from the ordinary course of business activities, the outcome of which the Company cannot reasonably determine. Other than the class actions and derivative actions described below, the Company does not believe that it is presently a party to any litigation of which the outcome would individually, or taken together, have a material adverse effect on our business, operating results, cash flows, or financial condition. As of December 31, 2025 and March 31, 2026, immaterial loss contingencies were recorded in connection with legal proceedings.

Indemnifications

In the ordinary course of business, the Company may provide indemnifications of varying scope and terms to vendors, directors, officers and other parties with respect to certain matters. In addition, the Company has entered into indemnification agreements with directors and certain officers and employees that will require the Company, among other things, to indemnify them against certain liabilities that may arise by reason of their status or service as directors, officers or employees. No demands have been made upon the Company to provide indemnification under such agreements, and thus, there are no claims that the Company is aware of that could have a material adverse effect on the Company’s condensed consolidated financial statements.

Repurchases

Under the terms of our agreements with lending partners and institutional investors, as well as in agreements with investors in securitizations and pass-through certificate transactions, the Company may, in certain circumstances, become obligated to repurchase loans from or indemnify such lending partners and institutional investors. Generally, these circumstances include the occurrence of verifiable identity theft, the failure of sold loans to meet the terms of certain loan-level representations and warranties that speak as of the time of origination or sale, the failure to comply with other contractual terms with lending partners and institutional investors, or a violation of the applicable federal, state, or local lending laws.

The maximum potential amount of future payments associated with any repurchase or indemnification obligation is the outstanding balances of the loans held by lending partners and institutional investors, which as of December 31, 2025 and March 31, 2026, was $14,290.4 million and $15,330.5 million, respectively. Actual payments made relating to the Company’s repurchase and indemnification obligations were immaterial and $13.0 million for the three months ended March 31, 2025 and 2026, respectively.

The Company did not have material contingent liabilities related to future loan repurchase obligations as of December 31, 2025 and March 31, 2026. These amounts are included in accrued expenses and other liabilities on the Company’s condensed consolidated balance sheets.

Legal

On July 26, 2022, a lawsuit was filed in United States District Court, Southern District of Ohio, captioned Crain v. Upstart Holdings, Inc. et al., Case No. 2:22-cv-02935-ALM-EPD (S.D. Ohio) against the Company, the Company’s Chief Executive Officer, and Chief Financial Officer, alleging that the defendants made false and/or misleading statements or omissions about the Company’s business, operations, and prospects in violation of Section 10(b) of the Securities Exchange Act of 1934, as amended, or the Exchange Act, and Rule 10b-5 promulgated thereunder, as well as Section 20(a) of the Exchange Act. The Crain lawsuit claims unspecified damages and legal fees. On August 16, 2022, the court appointed a lead plaintiff and approved lead counsel in the Crain action. On December 5, 2022, the lead plaintiff filed a consolidated amended complaint, which names the same defendants as the previous complaint, along with two Company executives, as well as Third Point LLC and its CEO and Third Point Ventures LLC and its managing partner (also a former Upstart board member). The consolidated amended complaint brings the same claims as the previous complaint but adds a claim under Section 20A of the Exchange Act. On February 24, 2023, the defendants filed motions to dismiss the consolidated amended complaint. On September 29, 2023, the Court issued an order, granting in part and denying in part the Upstart defendants' motion, and granting the motion filed by Third Point LLC and its CEO and Third Point Ventures LLC. On November 7, 2023, the Upstart defendants filed a motion for reconsideration, which the Court denied on August 5, 2024. On February 2, 2024, Lead Plaintiff, Universal-Investment-Gesellschaft mbH, and plaintiffs, Kathy Brooks and Kevin Crain, filed a motion for an order to certify this matter, now captioned In re Upstart Holdings Securities Litigation, as a class action, appoint themselves as class representatives, and approve their selection of Motley Rice LLC and Robbins Geller Rudman & Dowd LLP as co-class counsel, which motion the Court granted on March 27, 2025. On December 6, 2024, plaintiffs filed a motion for leave to file a first amended complaint, which motion the Court granted on September 29, 2025. The first amended complaint adds back as defendants Third Point LLC and its CEO and Third Point Ventures LLC. On November 14, 2025, Third Point LLC, its CEO, Third Point Ventures LLC, and its managing partner moved to dismiss the claims asserted against them in the first amended complaint, which motion plaintiffs opposed on January 8, 2026. On January 29, 2026, Third Point LLC, its CEO, Third Point Ventures LLC, and its managing partner filed a reply in support of their motion to dismiss. No hearing has been set on the motion to dismiss. The Company believes the remaining claims in the action are without merit and intends to defend itself vigorously.

On July 28, 2022, a derivative lawsuit was filed in United States District Court, Southern District of Ohio, captioned OConnor v. Huber et al., Case No. 2:22-cv-02961-EAS-KAJ (S.D. Ohio). The OConnor action includes allegations similar to those in the Crain complaint, and names as defendants each of the Company's current board members and its Chief Financial Officer. The Company is named as a nominal defendant. The OConnor action includes claims for violation of Section 10(b) of the Exchange Act and Rule 10b-5 promulgated thereunder, breach of fiduciary duty, aiding and abetting breach of fiduciary duty, unjust enrichment, and waste of corporate assets. The OConnor action seeks unspecified monetary damages and an accounting from the individual defendants. The OConnor action also seeks unspecified corporate governance and internal procedure modifications, punitive damages, and legal fees.

On October 7, 2022, a second derivative lawsuit was filed in United States District Court, Southern District of Ohio, captioned Chung v. Huber et al., No. 2:22-cv-03620-MHW-CMV (S.D. Ohio). The Chung action includes allegations similar to those in the OConnor complaint, and names as defendants each of the Company's current board members, a former board member, and its Chief Financial Officer. The Company is named as a nominal defendant. The Chung action includes claims for violation of Section 10(b), 14(a), and 21D of the Exchange Act, breach of fiduciary duties, unjust enrichment, abuse of control, gross mismanagement, and waste of corporate assets. The Chung action seeks unspecified monetary damages, restitution, and attorney's fees and costs from the individual defendants. It also seeks corporate governance and internal procedure modifications.

On December 12, 2022, in response to a joint motion by the parties, the Court consolidated the OConnor and Chung matters, appointed co-lead counsel, and stayed the consolidated case until resolution of the related securities class action. On April 24, 2024, the plaintiffs in the consolidated action filed an amended complaint. The amended complaint includes allegations similar to those in the initial complaint in the OConnor action, and names the same defendants as the initial complaint, along with an additional Company executive and another former board member. The amended complaint brings the same claims as the initial complaint in the OConnor action but adds claims under Section 14(a) of the Exchange Act and Rule 14a-9 promulgated thereunder, for contribution under Sections 10(b) and 21D of the Exchange Act, and for abuse of control and gross mismanagement. The amended complaint seeks similar relief to that sought in the initial complaint in the OConnor action. The matter remains stayed until resolution of the class action.

On February 3, 2023, a third derivative lawsuit was filed, in the United States District Court, District of Delaware, captioned Hsu v. Girouard, et al., 1:23-cv-00132-UNA (D. Del.). The Hsu action includes allegations similar to those in the consolidated derivative matter pending in Ohio, and names as defendants each of the Company’s current board members, a former board member, and its Chief Financial Officer. The Company is named as a nominal defendant. The Hsu action includes claims for violation of Section 14(a) of the Exchange Act as well as breach of fiduciary duties, and seeks unspecified monetary damages, restitution, and attorney’s fees and costs from the individual defendants. It also seeks corporate governance and internal procedure modifications. On February 16, 2023, in response to a joint stipulation and proposed order submitted by the parties, the Court stayed the Hsu action until resolution of the related securities class action.

On March 8, 2023, a fourth derivative lawsuit was filed, in the United States District Court, District of Delaware, captioned Sornchai et al. v. Girouard, et al., 1:23-cv-00253-MN (D. Del). The Sornchai action includes allegations similar to those in the consolidated derivative matter pending in Ohio, and names as defendants each of the Company’s current board members, a former board member, its Chief Financial Officer, and a Company executive. The Company is named as a nominal defendant. The Sornchai action includes claims for violations of Sections 10(b), 14(a) and 21D of the Exchange Act, breach of fiduciary duties, breach of fiduciary duty through misappropriation of material non-public information, and unjust enrichment, and seeks unspecified monetary damages, restitution, and attorney’s fees and costs from the individual defendants. It also seeks corporate governance and internal procedure modifications. On March 24, 2023, in response to a joint stipulation and proposed order submitted by the parties, the Court stayed the Sornchai action until resolution of the related securities class action.

On April 5, 2023, a fifth derivative lawsuit was filed, in the Court of Chancery of the State of Delaware, captioned Okhai v. Girouard, et al., C.A. No. 2023-0401-BWD (Del. Ch.). The Okhai action includes allegations similar to those in the consolidated derivative matter pending in Ohio, and names as defendants the Company’s current board members, two former board members, its Chief Financial Officer, and two current or former Company executives, as well as Third Point LLC and Third Point Ventures LLC. The Okhai action includes claims for breach of fiduciary, aiding and abetting such alleged breaches, and unjust enrichment, and seeks equitable and/or injunctive relief, restitution, and attorney’s fees and costs from the individual defendants. On August 3, 2023, in response to a motion to stay by the defendants in the Okhai action, the Court stayed the Okhai action until resolution of the motion to dismiss in the related securities class action. Following the issuance of the September 29, 2023 order on the motion to dismiss in the related securities class action, on November 16, 2023, in response to a joint stipulation and proposed order submitted by the parties, the Court stayed the Okhai action until resolution of the motion for reconsideration of the September 29, 2023 order on the motion to dismiss in the related securities class action. Following denial of the motion for reconsideration in the related securities class action, the parties in the Okhai action finished briefing and argued the defendants’ motion to continue the stay. On October 24, 2024, the Court continued the stay until February 1, 2025. On January 31, 2025, the parties submitted to the Court a proposed schedule for briefing Defendants’ motion to continue the stay. On April 11, 2025, in response to a joint stipulation and proposed order submitted by the parties, the Court ordered that the case remain stayed pending plaintiffs filing a consolidated amended complaint on or before May 7, 2025, after which Defendants filed a renewed motion to stay. Subsequent developments are discussed below.

On October 13, 2023, a sixth derivative lawsuit was filed, in the Court of Chancery of the State of Delaware, captioned Romanyshyn v. Girouard, et al., C.A. No. 2023-1029-BWD (Del. Ch.). The Romanyshyn action includes allegations similar to those in the consolidated derivative matter pending in Ohio, and names as defendants current and former directors and Company executives, as well as Third Point LLC and its CEO, and Third Point Ventures LLC. The Romanyshyn action includes claims for breach of fiduciary, and seeks unspecified monetary damages, restitution, and attorney’s fees and costs from the individual defendants. It also seeks corporate governance and internal procedure modifications. On November 3, 2023, in response to a joint stipulation and proposed order submitted by the parties, the Court stayed the Romanyshyn action pending the outcome of the motion to stay in the related Okhai derivative action. Subsequent developments are discussed below.

(Tabular Amounts in Thousands, Except Share and Per Share Data and Ratios, or as Noted)

On October 24, 2023, a seventh derivative lawsuit was filed, in the Court of Chancery of the State of Delaware, captioned Agarwal v. Girouard, et al., C.A. No. 2023-1075-BWD (Del. Ch.). The Agarwal action includes allegations similar to those in the consolidated derivative matter pending in Ohio, and names as defendants current and former directors and Company executives, as well as Third Point LLC and its CEO, and Third Point Ventures LLC. The Agarwal action includes claims for breach of fiduciary, and seeks unspecified monetary damages, restitution, and attorney's fees and costs from the individual defendants. It also seeks corporate governance and internal procedure modifications. On November 3, 2023, in response to a joint stipulation and proposed order submitted by the parties, the Court stayed the Agarwal action pending the outcome of the motion to stay in the related Okhai derivative action. Subsequent developments are discussed below.

On November 22, 2024, in response to a joint stipulation and proposed order submitted by the parties, the Court consolidated the Okhai, Romanyshyn, and Agarwal matters under the consolidated caption In re Upstart Holdings, Inc. Derivative Litigation, Consolidated C.A. No. 2023-0401-BWD and appointed co-lead plaintiffs and co-lead counsel. On May 7, 2025, the plaintiffs in the consolidated action filed a consolidated amended complaint. The consolidated amended complaint names as plaintiffs Evan Levitan and Charlie Romanyshyn and removes plaintiffs Okhai and Agarwal. The consolidated amended complaint includes allegations similar to those in the initial Okhai complaint and names the same defendants as the initial Okhai complaint, along with the CEO of Third Point LLC. The consolidated amended complaint brings the same claims as the initial Okhai complaint and seeks similar relief. On June 4, 2025, Defendants filed a renewed motion to stay, which motion the Court granted on August 25, 2025.

Given the uncertainty of litigation described above, the preliminary stage of the cases, and the legal standards that must be met for, among other things, class certification and success on the merits, the Company cannot estimate the reasonably possible loss or range of loss that may result from these actions.

12. Income Taxes

The Company's effective tax rates for the three months ended March 31, 2025 and 2026, are as follows:

	Three Months Ended March 31,	
	2025	**2026**
Provision for income taxes	$ 29	$ 84
Effective tax rate	(1.20)%	(1.28)%

The Company's tax provision and the resulting effective tax rate for interim periods are determined based upon its estimated annual effective tax rate adjusted for the effect of discrete items arising during the period. The increase in the Company's effective tax rate for the three months ended March 31, 2026, compared to the same periods in 2025, was primarily driven by an increase in the Company's state tax liabilities, despite maintaining a full valuation allowance. The effective tax rate differs from the U.S. statutory tax rate primarily due to the valuation allowance on the Company's deferred tax assets as it is more likely than not that some or all of these deferred tax assets will not be realized.

(Tabular Amounts in Thousands, Except Share and Per Share Data and Ratios, or as Noted)

13. Net Income (Loss) Per Share

Basic net loss per common share is based on the weighted-average common shares outstanding during the relevant period. Diluted loss per share is based on the weighted-average common shares outstanding during the relevant period, adjusted for the dilutive effect of share-based awards and convertible debt.

For periods in which the Company reports net losses, basic and diluted net loss per share are the same because potentially dilutive common shares are not assumed to have been issued if their effect is anti-dilutive.

	Three Months Ended March 31,	
	2025	**2026**
Numerator:		
Net loss attributable to common stockholders	$ (2,447)	$ (6,646)
Denominator:		
Weighted-average common shares outstanding used to calculate net loss per share, basic	94,274,538	96,901,974
Weighted-average common shares outstanding used to calculate net loss per share, diluted	94,274,538	96,901,974
Net loss per share, basic	$ (0.03)	$ (0.07)
Net loss per share, diluted	$ (0.03)	$ (0.07)

The following securities were excluded from the computation of diluted net loss per share for the periods presented, due to their anti-dilutive effect:

	Three Months Ended March 31,	
	2025	**2026**
Options to purchase common stock	10,122,309	9,220,829
Unvested RSUs	3,826,545	4,743,439
Unvested PRSUs	—	1,726,737
Purchase rights committed under the ESPP	66,056	139,312
Convertible senior notes	15,929,353	23,477,838
Total	29,944,263	39,308,155

(Tabular Amounts in Thousands, Except Share and Per Share Data and Ratios, or as Noted)

14. Segment Information

The Company’s organization and management structure is designed to support development of different lending product offerings, which are grouped into three operating segments - Personal Lending (unsecured personal loans and small dollar loans), Auto Lending (auto refinance, auto retail loans, and auto secured personal loans[1]), and Other (HELOCs and other). These operating segments are separately managed and evaluated by the Chief Operating Decision Maker (“CODM”), the Company’s Chief Executive Officer, who allocates resources and assesses performance at this level. The Company has determined that only one operating segment, Personal Lending, meets the definition of a reportable segment.

The Company generates all its revenue in the U.S. and a majority is earned in exchange for the use of the Company’s platform and for borrower referrals as well as for loan servicing activities provided to its lending partners and institutional investors. Refer to “*Note 2. Revenue”* for further information related to the Company's disaggregation of revenue from fees by type of service.

Contribution Profit is the primary measure of segment profit and loss reviewed by the CODM to assess business performance and strategy, prepare the Company’s annual operating budget and financial forecasts, and communicate with the Company’s Board of Directors concerning the Company’s financial performance. The significant segment expenses regularly reviewed by the CODM in evaluating Contribution Profit include borrower acquisition costs and borrower verification and servicing costs. To derive Contribution Profit, the Company subtracts the sum of borrower acquisition costs as well as borrower verification and servicing costs from revenue from fees, net.

The following table presents financial information, including Contribution Profit, for the Company’s Personal Lending segment:

	Three Months Ended March 31,	
	2025	2026
Personal Lending		
Revenue from fees, net	$ 182,127	$ 265,394
Borrower acquisition costs[2]	(45,141)	(80,379)
Borrower verification and servicing costs[3]	(29,274)	(36,581)
Contribution Profit for Personal Lending	$ 107,712	$ 148,434

(1) Beginning in the third quarter of 2025, the Company reclassified auto secured personal loans from Personal Lending to Auto Lending operating segment. Prior period segment information reflects the change, which was immaterial to the Company’s condensed consolidated financial statements.

(2) Borrower acquisition costs consist of the Company’s sales and marketing expenses adjusted to exclude costs not directly attributable to attracting a new borrower, such as payroll-related expenses for the Company’s business development and marketing teams, as well as other operational, brand awareness and marketing activities. These costs do not include reorganization expenses.

(3) Borrower verification and servicing costs consist of payroll and other personnel-related expenses for personnel engaged in loan onboarding, verification and servicing, as well as servicing system costs. It excludes payroll and personnel-related expenses and stock-based compensation for certain members of the Company’s customer operations team whose work is not directly attributable to onboarding and servicing loans. These costs do not include reorganization expenses.

(Tabular Amounts in Thousands, Except Share and Per Share Data and Ratios, or as Noted)

The following table presents a reconciliation of total Contribution Profit to Net loss before income taxes:

	Three Months Ended March 31,	
	2025	2026
Contribution Profit:		
Personal Lending	$ 107,712	$ 148,434
Reconciling items:		
Other Contribution Profit/(Loss)[1]	(5,340)	(11,160)
Sales and marketing, net of borrower acquisition costs[2]	(10,408)	(12,198)
Customer operations, net of borrower verification and servicing costs[3]	(5,960)	(7,563)
Engineering and product development	(57,838)	(80,112)
General, administrative, and other	(60,558)	(76,070)
Interest income, interest expense, and fair value adjustments, net	27,896	31,151
Other income, net	2,078	956
Net loss before income taxes	$ (2,418)	$ (6,562)

(1) Includes Auto Lending and Other operating segments, which did not meet the separate reporting or aggregation criteria under GAAP.
(2) Borrower acquisition costs were $48.6 million and $92.3 million for the three months ended March 31, 2025 and 2026, respectively. Borrower acquisition costs consist of the Company's sales and marketing expenses adjusted to exclude costs not directly attributable to attracting a new borrower, such as payroll-related expenses for the Company's business development and marketing teams, as well as other operational, brand awareness and marketing activities. These costs do not include reorganization expenses.
(3) Borrower verification and servicing costs were $34.5 million and $47.5 million for the three months ended March 31, 2025 and 2026, respectively. Borrower verification and servicing costs consist of payroll and other personnel-related expenses for personnel engaged in loan onboarding, verification and servicing, as well as servicing system costs. It excludes payroll and personnel-related expenses and stock-based compensation for certain members of the Company's customer operations team whose work is not directly attributable to onboarding and servicing loans. These costs do not include reorganization expenses.

The CODM does not evaluate operating segments using asset information and, accordingly, the Company does not report asset information by segment.

15. Subsequent Events

The Company has evaluated events that have occurred through the filing date of this Quarterly Report on Form 10-Q. Based on its evaluation, other than any items recorded or disclosed within the condensed consolidated financial statements and related notes, the Company has determined no subsequent events were required to be recognized or disclosed.

ITEM 2. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with the condensed consolidated financial statements and related notes thereto included elsewhere in this Quarterly Report on Form 10-Q. This discussion contains forward-looking statements that involve risks and uncertainties. Factors that could cause or contribute to such differences include those identified below and those discussed in the section titled “Risk Factors” and other parts of this Quarterly Report on Form 10-Q. Our historical results are not necessarily indicative of the results that may be expected for any period in the future.

Overview

Upstart is the leading artificial intelligence (“AI”) lending marketplace. We aim to radically reduce the cost and complexity of borrowing for all Americans by using our proprietary AI models to remake the entire lending process. Today, Upstart’s marketplace supports personal loans, including small dollar “relief” loans, auto loans, including retail, refinance, and auto secured personal loans, and home loans in the form of home equity lines of credit (“HELOCs”). Long-term, our vision is to become the always-on, everything-store for credit, where we can automatically approve borrowers at the right prices – instantly and effortlessly.

Our platform applies AI to more accurately quantify the true risk of a loan, a capability we refer to as “risk separation.” This differentiated approach to underwriting has generally led to higher approvals and lower interest rates relative to traditional lending practices, with more predictable returns to our capital partners including banks and credit unions (collectively our “lending partners”) and institutional investors. With this as the foundation, we’ve added layers of automation, macroeconomic calibration, and personalization that can support increasing scale and greater business resilience over time.

Beyond core underwriting, we apply our proprietary AI models to other areas of our business, such as income and identity verification, fraud detection, and identifying loan stacking behavior, among others. The result is an exceptional digital-first experience with significant levels of automation. For example, during the three months ended March 31, 2026, 91% of loans on our platform were fully automated, with no human intervention by Upstart. Consumer acquisition is another area where we apply our AI, making these activities increasingly efficient. Consumers primarily access Upstart-powered loans through Upstart.com and, for automotive retail in particular, through auto dealerships that use Upstart’s Auto Finance software.

Our dynamic marketplace allows us to serve borrowers across the credit spectrum. Loans issued through our marketplace are purchased by our network of institutional investors, retained or purchased by our lending partners, or in certain instances, held on our balance sheet. Out of the total principal of loans transacted on our marketplace during the three months ended March 31, 2026, 55% were purchased by institutional investors, 33% were retained or purchased by our lending partners, and 12% were held on our balance sheet. Investors may also invest in securities collateralized by Upstart-powered loans through our pass-through and securitization programs.

Institutional investors play an important role in our lending marketplace by providing capital for higher risk loans that may not be economically feasible for traditional banks and credit unions to hold. Today, more than 50% of the loan funding on our platform is through committed capital and other co-investment arrangements with institutional investors and lending partners, which provide valuable stability and resilience on the funding side of our platform.

We retain certain loans on our balance sheet for research and development purposes (“R&D Loans”), including to test and evaluate our AI models for newer products, to fill gaps in investor demand, and to aid in price discovery. As of March 31, 2026, 62% of loans held on our balance sheet were for R&D purposes, primarily related to our auto refinance and auto retail loan products, small dollar loans and HELOCs.

Credit Performance

We consider credit performance of Upstart-powered loans to be one of the most important measures of the effectiveness of our AI models. However, credit performance is impacted by multiple factors, including factors that our models do not predict, such as macroeconomic conditions.

We evaluate the credit performance of our loans by comparing the target returns expected at the time of origination to the returns received by our lending partners, institutional investors, or us. The target return, a critical component of our loan pricing, is calculated using estimated cash flows, which are developed based on a number of factors, including credit losses and prepayment rates. While target returns across our lending partners and institutional investors vary depending on their programs’ objectives and risk tolerance, overall performance is calculated based on the variance between the initially expected returns and the actual return on capital invested in Upstart-powered loans.

An equal investment in all vintages of Upstart-powered personal loans (excluding small dollar loans) originated in the first quarter of 2024 through the fourth quarter of 2025 is currently expected to deliver annual returns in line with a blended target of approximately 11.3% after servicing fees. Looking at performance over a longer period, an equal investment in all vintages of Upstart-powered personal loans (excluding smaller dollar loans) originated in the first quarter of 2023 through the fourth quarter of 2025 is currently expected to deliver annual returns in line with a blended target of approximately 10.8% after servicing fees.

At a more granular level, the quarterly vintages originated in the first quarter of 2023 through the first quarter of 2024 are currently forecasted to underperform relative to their target returns and quarterly vintages originated in the second quarter of 2024 or later are currently forecasted to deliver returns in line with target yields. This reversion in performance to target yields reflects a combination of factors including increased conservatism in underwriting, the relative stabilization of macroeconomic conditions, and improvements in our more recent models.

Impact of Macroeconomic Environment

In addition to impacting credit performance, the macroeconomic environment has a direct and indirect impact on our business financial condition, and results of operation. In an economic downturn, we believe consumer lending will generally contract. Lending partners and institutional investors will generally require higher rates of return, which in turn increases the interest rates offered to borrowers, leading to lower borrower demand. Macroeconomic factors can also cause fluctuations of available capital in our lending marketplace due to shifts in the risk preferences of our lending partners and institutional investors. We expect these dynamics would generally invert in an economic upswing.

For example, loan funding provided by institutional investors started to become constrained in 2022, largely due to concerns about the macroeconomic environment. Rising interest rates also led to more expensive loan offers across borrower categories, which decreased borrower demand. In order to create greater stability for our business, we began securing committed capital and co-investment arrangements with institutional investors and other third parties that provide loan funding over longer durations. While we believe that the macroeconomic environment started to improve in 2024, disruption in financial markets could once again lower borrower demand or impair our lending partners and result in constrained funding, which would adversely impact our business, financial condition and operating results.

To respond to macroeconomic changes and provide relevant and up-to-date information to our lending partners, we introduced a new metric, the Upstart Macro Index (“UMI”), in 2023. As of March 31, 2026, UMI remained elevated, measured at approximately 1.38, meaning that current macroeconomic conditions contributed an incremental risk of approximately 38% to the repayment performance of an Upstart-powered unsecured personal loan, compared to the baseline measurement of 1.0.

(Tabular Amounts in Thousands, Except Share and Per Share Data and Ratios, or as Noted)

Key Operating and Non-GAAP Financial Metrics

We focus on several key operating and Non-GAAP financial metrics to measure the performance of our business and help determine strategic direction. The following presents our key operating and financial metrics:

	Three Months Ended March 31,	
	2025	2026
Transaction Volume, Dollars	$ 2,133,608	$ 3,445,142
Transaction Volume, Number of Loans[1]	240,706	425,356
Conversion Rate[2]	17.5%	18.5%
Percentage of Loans Fully Automated[3]	92%	91%
Contribution Profit[4]	$ 102,372	$ 137,274
Contribution Margin[4]	55%	50%
Adjusted EBITDA[4]	$ 42,577	$ 40,469
Adjusted EBITDA Margin[4]	20%	13%

(1) Transaction Volume, Number of Loans, is shown in ones for the periods presented.

(2) Beginning in the fourth quarter of 2025, we revised the definition and underlying calculation methodology of Conversion Rate. Prior period figures have been recast to conform to the new definition and methodology. For additional information regarding this change, see "Key Operating and Non-GAAP Financial Metrics" in our Annual Report on Form 10-K for the year ended December 31, 2025.

(3) Beginning in the fourth quarter of 2025, we revised the definition and underlying calculation methodology of Percentage of Loans Fully Automated. Prior periods have not been adjusted, as the impact was immaterial. For additional information regarding this change, see "Key Operating and Non-GAAP Financial Metrics" in our Annual Report on Form 10-K for the year ended December 31, 2025.

(4) Represents a non-GAAP financial measure. See the section titled "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Reconciliation of Non-GAAP Financial Measures*" for further information.

Transaction Volume

We define Transaction Volume, Dollars as the total principal of loan originations (or committed amounts for HELOCs) facilitated on our marketplace during the periods presented. We define Transaction Volume, Number of Loans as the number of loan originations (or commitments issued for HELOCs) facilitated on our marketplace during the periods presented. We believe these metrics are good proxies for our overall scale and reach as a marketplace.

Transaction Volume is driven by improvements in our AI models and technology, including our ability to streamline and automate the loan application and origination process. Transaction Volume can also be driven by several other factors, including borrower acceptance rates and their sensitivity to the interest rates offered through our platform. Transaction Volume is dependent on the availability of platform funding which is influenced by factors such as volatility in the capital markets and macroeconomic conditions.

Transaction Volume, Dollars increased 61% in the three months ended March 31, 2026 compared to the same period of 2025 and Transaction Volume, Number of Loans increased 77% in the three months ended March 31, 2026 compared to the same period of 2025. These increases were primarily due to model improvements and product initiatives, which resulted in an increase in the number of qualified borrowers and more attractive loan offers. The increase in Transaction Volume, Number of Loans was higher than the increase in Transaction Volume, Dollars due to the decrease in average loan size, primarily as underwriting model improvements drove higher approval rates in smaller dollar categories of loans.

Conversion Rate

We define Conversion Rate as the Transaction Volume, Number of Loans in a period divided by the total number of rate inquiries received that we estimate to be legitimate, which we record when a borrower actively requests a loan offer on our platform. We track this metric to understand the impact of improvements to the efficiency of our borrower funnel on our overall growth.

Historically, our Conversion Rate has benefited from improvements to our technology, which have made our evaluation of risk more accurate and our verification process more automated, or from the addition of capital partners that have made our offers more competitive. However, our Conversion Rate can be impacted by a variety of internal factors such as changes in the amount of platform and referral fees that we charge or changes in the rate of returns we target for our lending partners and institutional investors. External factors such as shifts in macroeconomic conditions, including interest rate changes, also impact our Conversion Rate. Our ability to continue to improve our Conversion Rate depends in part on our ability to continue to improve our AI models and Percentage of Loans Fully Automated and the mix of marketing channels in any given period.

Our Conversion Rate increased to 18.5% in the three months ended March 31, 2026 from 17.5% in the same period of 2025, primarily driven by underwriting model improvements and product and pricing initiatives, coupled with continued optimization in our acquisition channels.

Percentage of Loans Fully Automated

A driver of our Contribution Margin and operating efficiency is the Percentage of Loans Fully Automated, which is defined as the total number of loans in a given period originated end-to-end with no human involvement required by the Company divided by the Transaction Volume, Number of Loans in the same period. Under this definition, “originated end-to-end” means (i) from initial rate request to final funding for personal loans, including small dollar loans, and (ii) from initial rate request to loan approval for auto loans and HELOCs, due to certain jurisdictions’ local requirements and external dependencies that require human action prior to funding.

We have been successful in increasing the level of loan automation on the platform over the years while simultaneously holding fraud rates at very low levels. We believe this growth has been driven in part by our ability to streamline and automate the loan application and origination process on our platform. As we expand our loan offerings, however, this percentage may fluctuate from period to period depending on the loan offering mix and other factors.

Our Percentage of Loans Fully Automated decreased slightly to 91% in the three months ended March 31, 2026 from 92% in the same period of 2025.

Contribution Profit and Contribution Margin

We use Contribution Profit and Contribution Margin as part of our overall assessment of performance, including the preparation of our annual operating budget and quarterly forecasts, to evaluate the effectiveness of our business strategies, and to communicate with our Board of Directors concerning our financial performance. We believe Contribution Profit and Contribution Margin are useful to investors for year-to-year comparisons of our business and in evaluating and understanding our operating results and ability to scale. Contribution Profit and Contribution Margin are also useful to investors because our management uses Contribution Profit and Contribution Margin, in conjunction with financial measures prepared in accordance with GAAP, to evaluate our operating results and financial performance and the effectiveness of our strategies.

Contribution Profit and Contribution Margin have limitations as analytical tools, and should not be considered in isolation or as a substitute for analysis of our results as reported under GAAP. Contribution Profit and Contribution Margin are not GAAP financial measures of, nor do they imply, profitability. Even if our revenue exceeds variable expenses over time, we may not be able to achieve or maintain profitability, and the relationship of revenue to variable expenses is not necessarily indicative of future performance. Contribution Profit and Contribution Margin reflect all expenses that we consider to be variable, which may involve some judgment and discretion around what costs vary directly with loan volume. Other companies that present contribution profit and contribution margin may calculate it differently and, therefore, similarly titled measures presented by other companies may not be directly comparable to ours.

(Tabular Amounts in Thousands, Except Share and Per Share Data and Ratios, or as Noted)

To derive Contribution Profit, we subtract the sum of borrower acquisition costs as well as borrower verification and servicing costs from revenue from fees, net. To calculate Contribution Margin we divide Contribution Profit by revenue from fees, net. Contribution Profit and Contribution Margin may fluctuate between periods due to various factors, including changes in the product mix of loans originated on our platform and marketing efforts.

The following table provides a calculation of Contribution Profit and Contribution Margin:

	Three Months Ended March 31,	
	2025	2026
Revenue from fees, net	$ 185,475	$ 277,063
Borrower acquisition costs(1)	(48,562)	(92,257)
Borrower verification and servicing costs(2)	(34,541)	(47,532)
Total direct expenses	(83,103)	(139,789)
Contribution Profit	$ 102,372	$ 137,274
Contribution Margin	55 %	50 %

(1) Borrower acquisition costs consist of our sales and marketing expenses adjusted to exclude costs not directly attributable to attracting a new borrower, such as payroll-related expenses for our business development and marketing teams, as well as other operational, brand awareness and marketing activities. These costs do not include reorganization expenses.

(2) Borrower verification and servicing costs consist of payroll and other personnel-related expenses for personnel engaged in loan onboarding, verification and servicing, as well as servicing system costs. It excludes payroll and personnel-related expenses and stock-based compensation for certain members of our customer operations team whose work is not directly attributable to onboarding and servicing loans. These costs do not include reorganization expenses.

See the section titled “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Reconciliation of Non-GAAP Financial Measures*” for a reconciliation of loss from operations to Contribution Profit.

Adjusted EBITDA and Adjusted EBITDA Margin

We believe that Adjusted EBITDA and Adjusted EBITDA Margin are useful for investors to use in comparing our financial performance with the performance of other companies for the following reasons:

- Adjusted EBITDA and Adjusted EBITDA Margin are widely used by investors and securities analysts to measure a company’s operating performance without regard to items such as depreciation, and interest expense, that can vary substantially from company to company depending upon their financing and capital structures, and the method by which assets were acquired; and
- Adjusted EBITDA and Adjusted EBITDA Margin eliminate the impact of certain items such as stock-based compensation expense and certain payroll tax expense, expense on convertible notes, gain on debt extinguishment, net gain on lease modification and reorganization expenses, as applicable, that may obscure trends in the underlying performance of our business; and
- Adjusted EBITDA and Adjusted EBITDA Margin provide consistency and comparability with our past financial performance, and facilitate comparisons with other companies, many of which use similar non-GAAP financial measures to supplement their GAAP results.

We calculate Adjusted EBITDA as net income (loss) adjusted to exclude stock-based compensation expense and certain payroll tax expenses, depreciation and amortization, expense on convertible notes, provision for income taxes, gain on debt extinguishment, net gain on lease modification and reorganization expenses, as applicable. We calculate Adjusted EBITDA Margin as Adjusted EBITDA divided by total revenue. Adjusted EBITDA and Adjusted EBITDA Margin includes interest expense from corporate debt and warehouse credit facilities which is incurred in the course of earning corresponding interest income. See the section titled “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Reconciliation of Non-GAAP Financial Measures*” for a reconciliation of net income (loss) to Adjusted EBITDA and Adjusted EBITDA Margin.

Components of Results of Operations

Revenue from Fees, Net

Platform and Referral Fees, Net

We charge our lending partners platform fees in exchange for usage of our AI lending marketplace, which includes collection of loan application data, underwriting of credit risk, verification and fraud detection, and the delivery of electronic loan offers and associated documentation. We also charge referral fees to our lending partners in exchange for the referral of borrowers from Upstart.com. Referral fees are charged to lending partners on a per borrower basis upon origination of a loan. These fees are charged net of any fees the lending partner charges Upstart. Upstart pays these lending partners a one-time loan premium fee upon completion of the minimum holding periods. Upstart also pays certain lending partners monthly loan trailing fees based on the amount and timing of principal and interest payments made by borrowers of the underlying loans.

We recognize subscription fees in relation to contracts with auto dealers for the use of Upstart Auto Finance software, a cloud-based solution that facilitates dealership operations and enables them to provide consumers with access to Upstart-powered auto loans. In addition, we recognize origination fees charged to our borrowers on HELOCs that we originate. Refer to “*Note 2. Revenue*” in Part I, Item 1 of this Quarterly Report on Form 10-Q for more information.

Servicing and Other Fees, Net

Servicing fees are calculated as a percentage of outstanding principal and are charged monthly to lending partners and institutional investors, including securitization trusts and pass-through entities, that hold loans facilitated through our marketplace. These fees compensate us for servicing activities performed throughout the loan term, including collection, processing and reconciliations of payments received, institutional investor reporting and borrower customer support. Servicing fees are recorded net of any gains, losses or changes to fair value recognized in the underlying servicing rights and obligations, which are carried as assets and liabilities on our condensed consolidated balance sheets. Upstart currently acts as servicer for substantially all outstanding loans facilitated through our marketplace. Borrower payment collections for loans that are more than 30 days past due or charged off are generally outsourced to third-party collection agencies. Upstart charges lending partners and institutional investors for collection agency fees related to their outstanding loan portfolio. Upstart also receives certain ancillary fees on a per transaction basis inclusive of late payment fees and ACH fail fees.

Interest Income, Interest Expense, and Fair Value Adjustments, Net

Interest income, interest expense, and fair value adjustments, net is comprised of interest income, interest expense and net changes in the fair value of financial instruments held on our condensed consolidated balance sheets as part of our ongoing operating activities, excluding loan servicing assets and liabilities. Interest income, interest expense, and fair value adjustments, net includes realized gain or loss on the sale of loans. For the three months ended March 31, 2026, interest income, interest expense, and fair value adjustments, net also includes coupon interest expense and amortization of debt issuance costs related to our convertible senior notes and dividend income earned on certain cash accounts, which were previously included in other income, net. Refer to *“Note 1. Description of Business and Significant Accounting Policies”* in Part I, Item 1 of this Quarterly Report on Form 10-Q for additional information. Interest income, interest expense, and fair value adjustments, net can fluctuate based on the fair value of financial instruments held on our condensed consolidated balance sheets. This amount has historically been a small percentage of our total revenue, and we do not manage our business with a focus on growing this component of revenue.

Sales and Marketing

Sales and marketing expenses primarily consist of costs incurred across various advertising channels, including expenses for partnerships with third parties providing borrower referrals, direct mail and digital advertising campaigns, as well as other expenses associated with building overall brand awareness and experiential marketing costs. Sales and marketing expenses also include payroll and other personnel-related costs, including stock-based compensation expense. These costs are recognized in the period incurred. We expect that our sales and marketing expenses will generally fluctuate as a percentage of our total revenue from period to period and may increase as we hire additional sales and marketing personnel, increase our marketing activities and build greater brand awareness.

Customer Operations

Customer operations expenses include payroll and other personnel-related expenses, including stock-based compensation expense, for personnel engaged in borrower onboarding, loan servicing, customer support and other operational teams. These costs also include systems, third-party services and tools we use as part of loan servicing, information verification, fraud detection and payment processing activities. These costs are recognized in the period incurred. We expect that our customer operations expenses will generally fluctuate as a percentage of our total revenue from period to period, and may increase in absolute dollars as we expand our portfolio.

Engineering and Product Development

Engineering and product development expenses primarily consist of payroll and other personnel-related expenses, including stock-based compensation expense, for the engineering and product development teams as well as the costs of systems and tools used by these teams. These costs are recognized in the period incurred. We expect that our engineering and product development expenses will generally fluctuate as a percentage of our total revenue from period to period, and may increase in absolute dollars as we expand our engineering and product development team to continue to improve our AI models and develop new products and product enhancements.

General, Administrative and Other

General, administrative and other expenses consist primarily of payroll and other personnel-related expenses, including stock-based compensation expense, for legal and compliance, finance and accounting, human resources and facilities teams, as well as depreciation and amortization of property, equipment, software, and intangibles, professional services fees, facilities and travel expenses. These costs are recognized in the period incurred. We expect to increase the size of our general and administrative function to support the further growth of our business. As a result, we expect that our general, administrative and other expenses will increase in absolute dollars but may fluctuate as a percentage of our total revenue from period to period.

(Tabular Amounts in Thousands, Except Share and Per Share Data and Ratios, or as Noted)

Other Income, Net

Other income, net primarily consists of dividend income earned on certain restricted cash balances. For the three months ended March 31, 2025, it included dividend income earned on all unrestricted cash and cash equivalents and restricted cash balances. Beginning in the three months ended March 31, 2026, dividend income earned on certain cash accounts is presented within interest income, interest expense, and fair value adjustments, net. Refer to *"Note 1. Description of Business and Significant Accounting Policies"* in Part I, Item 1 of this Quarterly Report on Form 10-Q for additional information.

Expense on Convertible Notes

Expense on convertible notes for the three months ended March 31, 2025 comprised of coupon interest expense and amortization of debt issuance costs related to our convertible senior notes. Expense on convertible notes for the three months ended March 31, 2026 is presented within interest income, interest expense, and fair value adjustments, net.

Results of Operations

The following table summarizes our historical condensed consolidated statements of operations data:

	Three Months Ended March 31,	
	2025	2026
Revenue:		
Revenue from fees, net	$ 185,475	$ 277,063
Interest income, interest expense, and fair value adjustments, net:		
Interest income[1]	40,568	56,061
Interest expense[1]	(7,020)	(10,370)
Fair value and other adjustments, net	(5,652)	(14,540)
Total interest income, interest expense, and fair value adjustments, net	27,896	31,151
Total revenue	213,371	308,214
Operating expenses[2]:		
Sales and marketing	58,970	104,455
Customer operations	40,501	55,095
Engineering and product development	57,838	80,112
General, administrative, and other	60,558	76,070
Total operating expenses	217,867	315,732
Loss from operations	(4,496)	(7,518)
Other income, net	2,078	956
Net loss before income taxes	(2,418)	(6,562)
Provision for income taxes	29	84
Net loss	$ (2,447)	$ (6,646)

(1) For the three months ended March 31, 2026, interest income and interest expense include dividend income earned on certain cash accounts and expense on convertible notes, respectively, which were previously included in other income, net. Refer to "*Note 1. Description of Business and Significant Accounting Policies*" in Part I, Item 1 of this Quarterly Report on Form 10-Q for additional information.

(Tabular Amounts in Thousands, Except Share and Per Share Data and Ratios, or as Noted)

(2) Includes stock-based compensation expense as follows:

	Three Months Ended March 31,	
	2025	2026
Sales and marketing	$ 2,703	$ 3,026
Customer operations	1,646	1,895
Engineering and product development	14,552	18,754
General, administrative, and other	10,930	11,136
Total stock-based compensation	$ 29,831	$ 34,811

Revenue

Revenue from Fees, Net

The following table sets forth our revenue from fees, net in the periods shown:

	Three Months Ended March 31,		Change	
	2025	2026	$	%
Platform and referral fees, net	$ 150,975	$ 224,618	$ 73,643	49 %
Servicing and other fees, net	34,500	52,445	17,945	52 %
Total revenue from fees, net	$ 185,475	$ 277,063	$ 91,588	49 %

Revenue from fees, net increased $91.6 million, or 49%, in the three months ended March 31, 2026, compared to the same period in 2025, which included an increase of $73.6 million in revenue from platform and referral fees, net, and an increase of $17.9 million in servicing and other fees, net. The increase of the platform and referral fees, net was primarily driven by a 61% increase in the Transaction Volume, Dollars from $2,134 million in the three months ended March 31, 2025 to $3,445 million in the same period in 2026, partially offset by lower fee rates, including those related to prime borrowers. The increase in servicing and other fees, net was primarily due to the increase in outstanding principal of serviced loans, borrower fees, as well as fees recognized in connection with sale of our loans, including securitizations.

(Tabular Amounts in Thousands, Except Share and Per Share Data and Ratios, or as Noted)

Interest Income, Interest Expense, and Fair Value Adjustments, Net

	Three Months Ended March 31,		Change	
	2025	2026	$	%
Operating entities[(1)]:				
Interest income	$ 35,456	$ 53,393	$ 17,937	51 %
Interest expense	(5,171)	(9,212)	(4,041)	(78)%
Fair value adjustments, net	(1,872)	(13,804)	(11,932)	(637)%
Consolidated securitization entities:				
Interest income	5,112	2,668	(2,444)	(48)%
Interest expense	(1,849)	(1,158)	691	37 %
Fair value adjustments, net	(3,780)	(736)	3,044	81 %
Total Company:				
Interest income	40,568	56,061	15,493	38 %
Interest expense	(7,020)	(10,370)	(3,350)	(48)%
Fair value adjustments, net	(5,652)	(14,540)	(8,888)	(157)%
Total interest income, interest expense, and fair value adjustments, net	$ 27,896	$ 31,151	$ 3,255	12 %

(1) Consists of balances recognized by entities participating in ongoing operating activities of the Company, excluding entities associated with the UPST 2023-2 consolidated securitization.

Interest income, interest expense, and fair value adjustments, net increased $3.3 million, or 12% in the three months ended March 31, 2026, compared to the same period in 2025. The increase was driven by a $15.5 million increase in interest income, partially offset by a $8.9 million increase in unfavorable fair value adjustments and a $3.4 million increase in interest expense. The increase in interest income was due to dividend income earned on certain cash accounts during the three months ended March 31, 2026, which was previously included in other income, net, as well as the increase in balances of loans and notes receivable and residual certificates held on the condensed consolidated balance sheets by operating entities, partially offset by a decrease in the balance of loans held in the consolidated securitization during the period. The increase in unfavorable fair value adjustments is attributable to a $7.5 million increase in realized loss on loan sales, and a $4.5 million decrease in fair value and realized gains on beneficial interests during the three months ended March 31, 2026 compared to the same period in 2025, partially offset by a $3.1 million decrease in unrealized losses and loan charge-offs. The increase in interest expense was due to $5.1 million expense on convertible senior notes incurred during the three months ended March 31, 2026, which was previously included in other income, net, partially offset by $2.5 million decrease in interest expense on loans recognized by operating entities and a $0.7 million decrease in interest expense recognized by consolidated securitization entities due to lower payable to securitization note holders during the period.

Operating Expenses

Sales and Marketing

	Three Months Ended March 31,		Change	
	2025	2026	$	%
Sales and marketing	$ 58,970	$ 104,455	$ 45,485	77 %
% of revenue	*28 %*	*34 %*		

Sales and marketing expenses increased by $45.5 million, or 77%, in the three months ended March 31, 2026 compared to the same period in 2025, which was driven primarily by a $43.7 million increase in advertising and borrower acquisition costs, a $1.4 million increase in payroll and other personnel-related expenses, and a $0.4

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million increase in marketing operation expense. As a percentage of total revenue, sales and marketing expenses increased from 28% to 34%.

Customer Operations

	Three Months Ended March 31,		Change	
	2025	2026	$	%
Customer operations	$ 40,501	$ 55,095	$ 14,594	36%
% of revenue	*19 %*	*18 %*		

Customer operations expenses increased by $14.6 million, or 36%, in the three months ended March 31, 2026, compared to the same period in 2025. The increase was primarily due to a $8.4 million increase in information verification expenses and systems expenses, a $4.0 million increase in payroll and other personnel-related expenses, and a $2.1 million increase in servicing expenses. As a percentage of total revenue, customer operations expenses decreased from 19% to 18%.

Engineering and Product Development

	Three Months Ended March 31,		Change	
	2025	2026	$	%
Engineering and product development	$ 57,838	$ 80,112	$ 22,274	39%
% of revenue	*27 %*	*26 %*		

Engineering and product development expenses increased by $22.3 million, or 39%, for the three months ended March 31, 2026, compared to the same period in 2025. The increase was primarily due to a $15.6 million increase in payroll and other personnel-related expenses and a $6.6 million increase in other engineering operating expenses driven by data and infrastructure costs. As a percentage of total revenue, engineering and product development expenses decreased from 27% to 26%.

General, Administrative, and Other

	Three Months Ended March 31,		Change	
	2025	2026	$	%
General, administrative, and other	$ 60,558	$ 76,070	$ 15,512	26 %
% of revenue	*28 %*	*25 %*		

General, administrative, and other expenses increased by $15.5 million, or 26%, in the three months ended March 31, 2026, compared to the same period in 2025. The increase was primarily due to a $13.2 million increase in payroll and other personnel-related expenses, a $1.8 million increase in office and administrative operating related expenses, and a $1.1 million increase in professional fees, partially offset by a $0.5 million decrease in amortization and depreciation expenses. As a percentage of total revenue, general, administrative, and other expenses decreased from 28% to 25%.

(Tabular Amounts in Thousands, Except Share and Per Share Data and Ratios, or as Noted)

Other Income, Net

	Three Months Ended March 31,		Change	
	2025	2026	$	%
Other income, net	$ 2,078	$ 956	$ (1,122)	(54)%

In the three months ended March 31, 2026, other income, net decreased by $1.1 million, or 54%, compared to the same period in 2025. The decrease was primarily driven by dividend income earned on certain cash accounts and expense on convertible notes for the three months ended March 31, 2026, which were included within interest income and interest expense, respectively, compared to other income, net for the three months ended March 31, 2025. Excluding the impact of this change, other income, net remained consistent for the periods presented.

Reconciliation of Non-GAAP Financial Measures

To supplement our condensed consolidated financial statements prepared and presented in accordance with GAAP, we use the non-GAAP financial measures of Contribution Profit, Contribution Margin, Adjusted EBITDA, and Adjusted EBITDA Margin to provide investors with additional information about our financial performance and to enhance the overall understanding of our past performance and future prospects. We are presenting these non-GAAP financial measures because we believe they provide an additional tool for investors to use in comparing our core financial performance over multiple years with the performance of other companies.

However, non-GAAP financial measures have limitations in their usefulness to investors because they have no standardized meaning prescribed by GAAP and are not prepared under any comprehensive set of accounting rules or principles. In addition, non-GAAP financial measures may be calculated differently from, and therefore may not be directly comparable to, similarly titled measures used by other companies. As a result, non-GAAP financial measures should be viewed as supplementing, and not as an alternative or substitute for, our condensed consolidated financial statements prepared and presented in accordance with GAAP.

In particular, some of the limitations with respect to Adjusted EBITDA and Adjusted Margin are as follows:

- Although depreciation expense is a non-cash charge, the assets being depreciated may have to be replaced in the future, and Adjusted EBITDA and Adjusted EBITDA Margin do not reflect cash capital expenditure requirements for such replacements or for new capital expenditure requirements;
- Adjusted EBITDA and Adjusted EBITDA Margin exclude stock-based compensation expense and certain employer payroll taxes on employee stock transactions. Stock-based compensation expense has been, and will continue to be for the foreseeable future, a significant recurring expense for our business and an important part of our compensation strategy. The amount of employer payroll tax-related expense on employee stock transactions is dependent on our stock price and other factors that are beyond our control and do not correlate to the operation of the business;
- Adjusted EBITDA and Adjusted EBITDA Margin do not reflect: (1) changes in, or cash requirements for, our working capital needs; (2) interest expense, or the cash requirements necessary to service interest or principal payments on our debt, which reduces cash available to us; or (3) tax payments that may represent a reduction in cash available to us; and
- The expenses and other items that we exclude in our calculation of Adjusted EBITDA and Adjusted EBITDA Margin may differ from the expenses and other items, if any, that other companies may exclude from adjusted EBITDA and adjusted EBITDA margin when they report their operating results.

(Tabular Amounts in Thousands, Except Share and Per Share Data and Ratios, or as Noted)

To address these limitations, we provide a reconciliation of Contribution Profit, Contribution Margin, Adjusted EBITDA, and Adjusted EBITDA Margin to income (loss) from operations and net income (loss). We encourage investors and others to review our financial information in its entirety, not to rely on any single financial measure and to view Contribution Profit, Contribution Margin, Adjusted EBITDA, and Adjusted EBITDA Margin in conjunction with their respective related GAAP financial measures.

Contribution Profit and Contribution Margin

The following table presents a reconciliation of loss from operations to Contribution Profit and Contribution Margin. We define Operating Margin as our loss from operations divided by revenue from fees, net.

	Three Months Ended March 31,	
	2025	2026
Revenue from fees, net	$ 185,475	$ 277,063
Loss from operations	(4,496)	(7,518)
Operating Margin	(2)%	(3)%
Sales and marketing, net of borrower acquisition costs[1]	$ 10,408	$ 12,198
Customer operations, net of borrower verification and servicing costs[2]	5,960	7,563
Engineering and product development	57,838	80,112
General, administrative, and other	60,558	76,070
Interest income, interest expense, and fair value adjustments, net	(27,896)	(31,151)
Contribution Profit	$ 102,372	$ 137,274
Contribution Margin	55 %	50 %

(1) Borrower acquisition costs were $48.6 million, and $92.3 million for the three months ended March 31, 2025 and 2026, respectively. Borrower acquisition costs consist of our sales and marketing expenses adjusted to exclude costs not directly attributable to attracting a new borrower, such as payroll-related expenses for our business development and marketing teams, as well as other operational, brand awareness and marketing activities. These costs do not include reorganization expenses.

(2) Borrower verification and servicing costs were $34.5 million, and $47.5 million for the three months ended March 31, 2025 and 2026, respectively. Borrower verification and servicing costs consist of payroll and other personnel-related expenses for personnel engaged in loan onboarding, verification and servicing, as well as servicing system costs. It excludes payroll and personnel-related expenses and stock-based compensation for certain members of our customer operations team whose work is not directly attributable to onboarding and servicing loans. These costs do not include reorganization expenses.

(Tabular Amounts in Thousands, Except Share and Per Share Data and Ratios, or as Noted)

Adjusted EBITDA and Adjusted EBITDA Margin

The following table provides a reconciliation of net loss and Net Loss Margin to Adjusted EBITDA and Adjusted EBITDA Margin. We define Net Loss Margin as net loss divided by total revenue.

	Three Months Ended March 31,	
	2025	2026
Total revenue	$ 213,371	$ 308,214
Net loss	(2,447)	(6,646)
Net Loss Margin	(1)%	(2)%
Adjusted to exclude the following:		
Stock-based compensation and certain payroll tax expenses[(1)]	$ 33,636	$ 36,112
Depreciation and amortization	6,400	5,858
Expense on convertible notes	4,959	5,061
Provision for income taxes	29	84
Adjusted EBITDA	$ 42,577	$ 40,469
Adjusted EBITDA Margin	20 %	13 %

(1) Payroll tax expenses include the employer payroll tax-related expense on employee stock transactions, as the amount is dependent on our stock price and other factors that are beyond our control and do not correlate to the operation of our business.

Liquidity and Capital Resources

Sources and Uses of Cash and Cash Equivalents

As of March 31, 2026, our primary source of liquidity was cash and cash equivalents of $472.9 million. Changes in the balance of cash and cash equivalents are generally a result of working capital fluctuations and the timing of purchases and sales of loans facilitated through our marketplace. To finance purchases of certain loans facilitated through our lending marketplace, we rely on our warehouse credit facilities through special-purpose trusts and corporate cash.

During the three months ended March 31, 2026, we repurchased 3.2 million shares of common stock for $100.1 million. As of March 31, 2026, $122.1 million remains available for future purchases of our common stock under our share repurchase program. Refer to “*Note 9. Stockholders’ Equity*” in Part I, Item 1 of this Quarterly Report on Form 10-Q for further details on our share repurchase program.

We entered into an “at the market” offering program pursuant to which we may offer and sell, from time to time, shares of our common stock with an aggregate offering price of up to $500.0 million, as described in the prospectus supplement dated February 14, 2025 filed with the U.S. Securities and Exchange Commission. As of March 31, 2026, no shares were issued under the program.

Our convertible senior notes have an aggregate principal balance of $1,687.8 million which matures between 2026 to 2032, unless earlier converted, redeemed, or repurchased in accordance with their terms. The 2026 Notes which are current and due August 2026 have a principal balance of $66.5 million. Refer to “*Note 8. Borrowings*” in Part I, Item 1 of this Quarterly Report on Form 10-Q for further details on our Notes.

Our warehouse credit facilities, which mature between August 2027 and June 2028, allow us to borrow up to an aggregate of $575.0 million to purchase loans. Our risk retention financing facility, which allows us to borrow up to $100.0 million, has a maturity which aligns with the stated maturities of the underlying securitization notes receivable pledged as collateral, which range from 2026 to 2036. As of March 31, 2026, we have drawn an aggregate of $183.3 million on our warehouse credit facilities and $80.7 million on our risk retention financing facility. Refer to "*Note 8. Borrowings*" in Part I, Item 1 of this Quarterly Report on Form 10-Q for further details on our borrowings.

Our cash requirements related to operating lease agreements is $19.6 million, of which $8.2 million is expected to be paid within the next 12 months. Our cash requirements related to leases entered into that have not yet commenced is $66.2 million, an immaterial amount of which is expected to be paid within the next 12 months. Refer to "*Note 10. Leases*" in Part I, Item 1 of this Quarterly Report on Form 10-Q for further details on our operating lease obligations.

We have committed to purchase loans from certain lending partners at the conclusion of the required holding period, which is generally equal to three business days. As of March 31, 2026, the total loan purchase commitment was $120.7 million. The Company also has commitments to fund future advances on HELOCs. As of March 31, 2026, these commitments were $21.6 million, however since we can limit these commitments under certain conditions or these commitments could expire without being drawn upon, the total commitment amounts do not necessarily represent future cash requirements. See "*Note 11. Commitments and Contingencies*" in Part I, Item 1 of this Quarterly Report on Form 10-Q for further details on our commitments.

In connection with our committed capital and other co-investment arrangements, we are obligated to put a certain amount of our assets at risk in relation to the credit performance of the underlying loans. The risk in these arrangements is subject to a dollar cap, which represents our maximum exposure to losses under severe, hypothetical circumstances, for which we believe the possibility is remote. As of March 31, 2026, our aggregate maximum exposure to losses was $1,078.3 million. Refer to "*Note 4. Beneficial Interests*" in Part I, Item 1 of this Quarterly Report on Form 10-Q for further details. Our cash requirements for the next 12 months related to investments in these existing arrangements is estimated to be up to $87.3 million from cash and cash equivalents and up to $23.0 million from restricted cash.

While we believe that our cash and cash equivalents on hand will be sufficient to meet our liquidity needs for at least the next 12 months, our future capital requirements will depend on multiple factors, including our revenue growth, working capital requirements, volume of loan purchases for product development purposes or during market downturns, and our capital expenditures. Additionally, we have repurchased, and may in the future repurchase, shares of our common stock under our share repurchase program. We may decide to raise additional capital through the sale of equity, equity-linked or debt securities or other debt financing arrangements. If we raise additional funds by issuing equity or equity-linked securities, our stockholders may experience dilution. Future debt financing, if available, may involve covenants restricting our operations or our ability to incur additional debt. Any debt or equity financing that we raise may contain terms that are not favorable to us or our stockholders. Further, if we are unable to raise additional capital when our cash and cash equivalents balances and cash generated by operations are insufficient to satisfy liquidity needs, our results of operations and financial condition would be materially and adversely impacted.

(Tabular Amounts in Thousands, Except Share and Per Share Data and Ratios, or as Noted)

Cash Flows

The following table summarizes our cash flows during the periods indicated:

	Three Months Ended March 31,	
	2025	2026
Net cash used in operating activities	$ (13,486)	$ (133,297)
Net cash provided by (used in) investing activities	(78,569)	876
Net cash provided by (used in) financing activities	(44,680)	6,743
Change in cash, cash equivalents and restricted cash	$ (136,735)	$ (125,678)

Net Cash from Operating Activities

Our main sources of cash provided by operating activities is revenue from fees earned under contracts with lending partners and institutional investors and interest income we receive for loans held on our balance sheet.

Our main uses of cash in our operating activities include payments to marketing partners, vendor payments, payroll and other personnel-related expenses, payments for facilities, and other general business expenditures.

Net cash used in operating activities was $133.3 million for the three months ended March 31, 2026, which consisted of $80.6 million net changes in operating assets and liabilities, adjustments for non-cash items of $46.1 million, and net loss of $6.6 million. The decrease in non-cash adjustments was primarily related to $62.2 million of changes in fair value of loans, $12.0 million loan premium amortization from the Company’s small dollar loan portfolio, and $7.5 million of gain on loan servicing rights, net, from loan sales, partially offset by $34.8 million of stock-based compensation expense. The decrease in net changes in operating assets and liabilities was primarily related to $88.1 million net payments from purchase and sale of loans held-for-sale, partially offset by $8.0 million in principal payments received for loans held in consolidated securitization.

Net Cash from Investing Activities

Net cash provided by investing activities was $0.9 million for the three months ended March 31, 2026 as a result of $88.2 million of principal payments received for loans held-for-investment and notes receivable, $43.6 million of net proceeds from beneficial interest assets (hybrid instruments), and $1.4 million of repayments on the line of credit receivable, partially offset by $125.3 million of net payments from purchase and sale of loans held-for-investment, $4.2 million of capitalized software costs and $2.8 million of purchases of property and equipment.

Net Cash from Financing Activities

Net cash provided by financing activities was $6.7 million for the three months ended March 31, 2026 primarily due to $90.9 million of net proceeds from borrowings, $17.9 million of change in payables to investors, and $5.3 million of net proceeds from stock-based award activities, partially offset by $100.1 million of common stock repurchases and $7.2 million of principal payments made on securitization notes.

Composition of Balance Sheet Loan Portfolio

As of March 31, 2026, we held $1,014.1 million of loans on our condensed consolidated balance sheet. Of this amount, $338.2 million consisted of personal loans, the majority of which would otherwise be purchased by third parties. We also held $631.0 million of loans originated for research and development purposes, primarily in support of our auto lending products, HELOCs, and the expansion of our unsecured personal loan product to new categories of borrowers. In addition, we held $44.9 million of loans through the consolidated securitization. We will continue to utilize our capital to support research and development activities and, at times, as a funding source for loans during periods of marketplace funding constraints or to bridge the timing between origination and sales of loans. The extent and timing of utilizing our capital as a funding source for loans will largely depend on the availability of capital in our marketplace relative to the demand from qualified borrowers and our business priorities. We plan to sell loans held on our balance sheet to lending partners and institutional investors over time in the form of secondary sales or securitizations and pass through issuances.

Off-Balance Sheet Arrangements

In the ordinary course of business, we engage in activities that are not reflected on our condensed consolidated balance sheets, generally referred to as off-balance sheet arrangements. These activities involve transactions with unconsolidated VIEs, including sale of whole loans, committed capital and other co-investment arrangements, and securitization transactions, which we contractually service. We use these transactions to provide a source of liquidity to finance our business and to diversify our institutional investor base. If we are the retaining sponsor of a securitization transaction, we are required by law to retain at least 5% of the credit risk of the securities issued in these securitizations. We provide additional information regarding transactions with unconsolidated VIEs in "*Note 3. Variable Interest Entities*" in Part I, Item 1 of this Quarterly Report on Form 10-Q.

Critical Accounting Policies and Estimates

The preparation of our condensed consolidated financial statements requires us to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, costs and expenses and related disclosures. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances. Actual results could differ significantly from our estimates. To the extent that there are differences between our estimates and actual results, our future financial statement presentation, financial condition, results of operations and cash flows will be affected.

Our critical accounting policies are described in Part II, Item 7, "*Critical Accounting Policies and Estimates*" in our Annual Report on Form 10-K for the year ended December 31, 2025. There have been no material changes to these policies during the three months ended March 31, 2026.

Recent Accounting Pronouncements

Refer to *"Note 1. Description of Business and Significant Accounting Policies"* in Part I, Item 1 of this Quarterly Report on Form 10-Q for recently adopted accounting pronouncements and recently issued accounting pronouncements not yet adopted when applicable.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to market risks in the ordinary course of our business, which primarily relate to fluctuations in market discount rates, credit risks, and interest rates. We are exposed to market risk directly through loans and securities held on our condensed consolidated balance sheets, access to the securitization markets, institutional investor demand for loans facilitated through our marketplace, and availability of funding under our warehouse credit facilities. Our inability or failure to manage market risks could harm our business, financial condition or results of operations.

Discount Rate Risk

Discount rate sensitivity refers to the risk of loss to future earnings, values or future cash flows that may result from changes in market discount rates.

As of December 31, 2025 and March 31, 2026, we were exposed to market discount rate risk on $930.8 million and $969.2 million, respectively, of loans held on our condensed consolidated balance sheets, excluding loans held in the consolidated securitization. The fair value of these loans is estimated using a discounted cash flow methodology, where the discount rate represents an estimate of the required rate of return by market participants. Changes in the discount rates for loans held on our balance sheet reflect the expected returns of similar financial instruments available in the market and can be caused by changes in the market interest rates, expected loan performance, and other factors. Any gains and losses from discount rate changes are recorded in earnings. A hypothetical 100 basis point and 200 basis point increase in the discount rate would result in a $12.0 million and $23.6 million decrease, respectively, in the fair value of loans as of December 31, 2025 and a $12.7 million and $25.3 million decrease, respectively, as of March 31, 2026.

As of December 31, 2025 and March 31, 2026, we held $53.8 million and $44.9 million, respectively, of loans held in the consolidated securitization which are included in loans, at fair value, on the condensed consolidated balance sheets. The fair value of these loans is determined by the sum of the fair value of the related securitization notes receivable and residual certificates issued as part of the consolidated securitization, and uses the same projected net cash flows as the underlying collateral loan pool. As the Company retained all residual certificates issued by the consolidated securitization, their value is eliminated as part of the consolidation process. A hypothetical 100 basis point and 200 basis point increase in the discount rate does not result in a material impact to the fair value of loans held in consolidated securitization as of December 31, 2025 and March 31, 2026.

As of December 31, 2025 and March 31, 2026, we were exposed to market discount rate risk on payable to securitization note holders of $46.5 million and $39.2 million, respectively. A hypothetical 100 basis point and 200 basis point increase in the discount rate does not result in a material impact to the fair value of payable to securitization note holders as of December 31, 2025 and March 31, 2026.

As of December 31, 2025 and March 31, 2026, we were exposed to market discount rate risk on other financial instruments, including $396.2 million and $474.8 million of beneficial interest assets, respectively. Beneficial interest assets are estimated at fair value using a discounted cash flow model which considers projected defaults, losses and recoveries to project future losses and net cash flows on the underlying loans. We use different discount rates depending on the type of underlying collateral well as for expected cash flows associated with demonstrated to-date credit performance and those associated with future credit performance. A hypothetical 100 basis point and 200 basis point increase in the discount rate would result in a $4.9 million and $9.7 million decrease, respectively, in the fair value of beneficial interest assets as of December 31, 2025, and a $5.9 million and $11.6 million decrease, respectively, as of March 31, 2026.

Credit Risk

Credit risk refers to the risk of loss of loans arising from individual borrower default due to inability or unwillingness to meet their financial obligations. The fair value of certain financial instruments, including loans, beneficial interests, securitization notes receivable and residual certificates, and payable to securitization note holders on our condensed consolidated balance sheets are dependent on credit performance of the loans. To manage this risk, we monitor borrower payment performance through our lending marketplace and utilize our AI capabilities to price loans in a manner that we believe is reflective of their credit risk.

The fair values of loans and beneficial interests are estimated based on a discounted cash flow model which involves the use of significant unobservable inputs and assumptions. These instruments are sensitive to changes in credit risk.

As of December 31, 2025 and March 31, 2026, we were exposed to credit risk on $930.8 million and $969.2 million, respectively, of loans held on our condensed consolidated balance sheets, excluding loans held in the consolidated securitization. Loans bear fixed interest rates and are carried on our condensed consolidated balance sheets at fair value. As of December 31, 2025, a hypothetical 10% and 20% increase in credit risk would result in a $10.5 million and $20.4 million decrease, and as of March 31, 2026, a hypothetical 10% and 20% increase in credit risk would result in a $11.6 million and $22.7 million decrease in the fair value of loans, respectively.

As of December 31, 2025 and March 31, 2026, we held $53.8 million and $44.9 million, respectively, of loans held in the consolidated securitization which are included in loans, at fair value, on the condensed consolidated balance sheets. The fair value of these loans is determined by the sum of the fair value of the related securitization notes receivable and residual certificates issued by the consolidated entities, and uses the same projected net cash flows as the underlying collateral loan pool. As the Company retained all residual certificates issued by the consolidated securitization, the residual certificates value is eliminated as part of the consolidation process. A hypothetical 10% and 20% increase in the credit risk does not result in a material impact to the fair value of loans held in the consolidated securitization as of December 31, 2025 and March 31, 2026.

We are also exposed to credit risk through credit risk rate spreads on beneficial interest assets and beneficial interest liabilities held on the condensed consolidated balance sheet of $396.2 million and $5.1 million, respectively, as of December 31, 2025, and $474.8 million and $3.2 million, respectively, as of March 31, 2026. These assets and liabilities are associated with committed capital and other co-investment arrangements with third parties, in which the Company puts certain amounts of assets at risk. See "*Note 4. Beneficial Interests*" in Part I, Item 1 of this Quarterly Report on Form 10-Q for additional information on maximum exposure to losses from these arrangements. A hypothetical 10% and 20% adverse change in the credit risk spread would result in a $80.1 million and $158.2 million decrease, respectively, in the fair value of beneficial interest assets held on our condensed consolidated balance sheet, and $22.4 million and $44.4 million increase in the fair value of beneficial interest liabilities on our condensed consolidated balance sheet, respectively, as of December 31, 2025. A hypothetical 10% and 20% adverse change in the credit risk spread would result in a $99.3 million and $196.2 million decrease, respectively, in the fair value of beneficial interest assets, and $12.9 million and $26.1 million increase in the fair value of beneficial interest liabilities, respectively, as of March 31, 2026.

Counterparty Risk

We are subject to risk that arises from our line of credit receivable, beneficial interests, warehouse facilities, and third-party custodians. These activities generally involve an exchange of obligations with unaffiliated lenders or other individuals or entities, referred to in such transactions as "counterparties." If a counterparty were to default or otherwise fail to perform, we could potentially be exposed to loss if such counterparty were unable to meet its obligations to us. We manage this risk by selecting only counterparties that we believe to be financially strong, spreading the risk among multiple such counterparties, and placing contractual limits on the amount of dependence on any single counterparty.

As of December 31, 2025 and March 31, 2026, we held $1,057.0 million and $931.3 million, respectively, related to cash, cash equivalents and restricted cash in business checking accounts and interest-bearing deposit accounts as well as money market accounts at various financial institutions in the United States. We are exposed to credit risk in the event of default by these financial institutions to the extent the amount recorded on our condensed consolidated balance sheets exceeds the insured amounts by the Federal Deposit Insurance Corporation, or FDIC. We reduce credit risk by placing our cash, cash equivalents and restricted cash in reputable institutions.

As of December 31, 2025 and March 31, 2026, $191.6 million and $190.2 million, respectively, of the Company’s cash was held by one of our institutional investors in relation to the line of credit receivable and beneficial interest asset. We mitigate our risk exposure through corporate guarantees provided by the investor.

Interest Rate Risk

An increase in interest rates typically results in an increase in the rate of return required by lending partners and institutional investors, and therefore leads to a decrease in borrower demand. Higher interest rates also correspond with higher payment obligations for borrowers, which may reduce the ability of individual borrowers to remain current on their obligations, leading to increased delinquencies, defaults, borrower bankruptcies and charge-offs, and decreasing recoveries, all of which could have a material adverse effect on our business. We expect these outcomes would generally invert in an environment of decreasing interest rates.

An increase or decrease in interest rates may also impact our exposure to interest rate risk on our warehouse credit facilities. As of December 31, 2025 and March 31, 2026, we were exposed to interest rate risk on $97.3 million and $183.3 million, respectively, under our warehouse credit facilities, which bear floating interest rates. Changes in interest rates may impact our cost of borrowing.

Equity Investment Risk

Our non-marketable equity securities are subject to a wide variety of market-related risks that could substantially reduce or increase the carrying value of our investments.

Our non-marketable equity investments are in equity securities of privately-held companies without readily determinable fair values. We elected to account for each such investment using the measurement alternative which is cost less impairment, if any, and adjusted for changes resulting from observable price changes in orderly transactions for an identical or similar investment in the same issuer. The determination of whether an orderly transaction is for an identical or similar investment requires significant management judgment and is inherently complex due to the lack of readily available market data. We consider factors such as differences in the rights and preferences of the investments and the extent to which those differences would affect the fair values of each investment. We also assess our non-marketable equity securities for impairment on a quarterly basis. Our impairment analysis encompasses an assessment of both qualitative and quantitative factors including the investee's financial metrics, market acceptance of the investee's product or technology, general market conditions and liquidity considerations. Adjustments and impairments are recorded in other expense on the condensed consolidated statements of operations and comprehensive loss upon recognition of such adjustments or impairments. As of December 31, 2025 and March 31, 2026, the carrying value of our non-marketable equity securities, which do not have readily determinable fair values totaled $41.3 million.

ITEM 4. CONTROLS AND PROCEDURES

a. Evaluation of Disclosure Controls and Procedures

Our management, with the participation and supervision of our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that, as of March 31, 2026, our disclosure controls and procedures were designed and function effectively to provide reasonable assurance that information required to be disclosed by us in reports filed or submitted under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in SEC rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

b. Changes in Internal Control over Financial Reporting

There was no change in our internal control over financial reporting (as defined in Rules 13a-15(d) and 15d-15(d) under the Exchange Act) that occurred during the quarter ended March 31, 2026 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

c. Limitations on Effectiveness of Disclosure Controls and Procedures

Our management does not expect that our disclosure controls and procedures or our internal control over financial reporting will prevent all errors and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of disclosure controls and procedures must reflect the fact there are resource constraints and that management is required to apply its judgment in evaluating the benefits of possible controls and procedures relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of a simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people or by management override of the controls. The design of any system of controls is also based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions; over time, controls may become inadequate because of changes in conditions, or the degree of compliance with policies or procedures may deteriorate. Due to inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

For a description of our material pending legal proceedings, please see "*Note 11. Commitments and Contingencies*" in Part I, Item 1 of this Quarterly Report on Form 10-Q and "*Risk Factors*" in Part II, Item 1A of this Quarterly Report on Form 10-Q incorporated herein by reference.

ITEM 1A. RISK FACTORS

RISK FACTORS

Investing in our common stock involves a high degree of risk. The risks and uncertainties described below should be carefully considered, together with all of the other information in this Quarterly Report on Form 10-Q, including the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our condensed consolidated financial statements and related notes, before making a decision to invest in our common stock. Our business, financial condition, results of operations, or prospects could also be harmed by risks and uncertainties not currently known to us or that we currently do not believe are material. If any of the risks actually occur, our business, financial condition, results of operations, and prospects could be adversely affected. In that event, the market price of our common stock could decline, and you could lose part or all of your investment.

SUMMARY OF RISK FACTORS

The material risks that may affect our business, financial condition or results of operations include, but are not limited to, those relating to the following:

- Our business has been and will continue to be adversely affected by economic conditions and other factors that we cannot control.
- If we are unable to maintain diverse and resilient loan funding to our marketplace from institutional investors or successfully manage risks associated with committed capital and other co-investment arrangements, our growth prospects, business, financial condition and results of operations could be adversely affected.
- Our loan funding and financing arrangements with lending partners, institutional investors, securitization programs, and warehouse credit and risk retention financing facilities expose us to certain risks, and if we fail to successfully manage such risks, our supply of capital may decrease or we may be required to seek more costly or less efficient capital for our marketplace.
- If we are unable to continue to improve our artificial intelligence ("AI") models or if our AI models are ineffective, including by failing to accurately or timely reflect changes in economic conditions on borrowers' credit risk, our growth prospects, business, financial condition and results of operations would be adversely affected.
- If we are unable to approve a significant number of borrowers for loans through our marketplace, our growth prospects, business, financial condition and results of operations would be adversely affected.
- A limited number of lending partners account for a significant portion of loan originations and revenue on our marketplace, and our business depends on our ability to retain existing lending partners and attract new ones.
- We have incurred net losses in the past, and we may not be able to sustain or achieve profitability in the future.
- If we are unable to manage risks associated with the loans on our balance sheet, our business, financial condition and results of operations may be adversely affected.
- Our quarterly results may fluctuate significantly, which could adversely affect our business and the trading price of our common stock.
- If we are unable to manage the risks associated with the Upstart Macro Index (UMI), our credibility, reputation, business, financial condition and results of operations could be adversely affected.
- Our reputation and brand are important to our success, and failure to maintain, protect and promote our brand may harm our business.
- If we are unable to manage the risks related to our loan servicing and collections obligations, our business,

financial condition and results of operations could be adversely affected.

- A significant portion of our business has historically depended on a single loan product, and shifts in product demand or mix could adversely affect our business.
- We are continuing to introduce and develop new loan products and service offerings, and if these products are not successful or we are unable to manage the related risks, our growth prospects, business, financial condition and results of operations could be adversely affected.
- Security breaches, improper access to our or borrowers' data, or other security incidents may harm our reputation, adversely affect our results of operations and expose us to liability.
- Any significant disruption of, or failure in, our technology systems, including our AI lending platform, could adversely affect our business, financial condition and results of operations.
- We rely on strategic relationships with loan aggregators to attract applicants to our marketplace, and if we cannot maintain effective relationships with loan aggregators or successfully replace their services, our business could be adversely affected.
- Our business is subject to a wide range of laws and regulations, many of which are evolving, and failure or perceived failure to comply with such laws and regulations could harm our business, financial condition and results of operations.

RISKS RELATED TO OUR BUSINESS AND INDUSTRY

Our business has been and will continue to be adversely affected by economic conditions and other factors that we cannot control.

Uncertainty, volatility and negative trends in general economic conditions historically have created a difficult operating environment for our industry. Many factors, including factors that are beyond our control, have impacted and will continue to impact our business, financial condition and results of operations by affecting the supply of capital to our marketplace from our lending partners and institutional investors, the demand by borrowers for Upstart-powered loans, and borrowers' ability and willingness to repay their loans.

Adverse macroeconomic conditions and resulting uncertainty and volatility have had, and may have in the future, a material adverse effect on our business and results of operations. Such conditions can reduce borrower demand, approval and acceptance rates, loan origination volume and loan funding from lending partners and institutional investors, reduce liquidity in the capital markets, increase funding costs, and increase our reliance on our balance sheet. Many borrowers that access our marketplace have poor, limited or no credit history and may be disproportionately affected by inflation, higher interest rates, cost of living pressures, unemployment or recessionary conditions, which can reduce their ability or willingness to borrow or repay loans. During economic downturns, borrowers may prioritize secured obligations over unsecured personal loans or home equity lines of credit, and higher interest rates may further increase payment burdens, leading to higher delinquencies, defaults, charge-offs and lower recoveries. Because our operations are concentrated in U.S. consumer credit, adverse developments affecting the U.S. economy or consumer credit markets could have a disproportionate impact on our business. In addition, changes in fiscal, monetary, regulatory or foreign policy priorities across presidential administrations may contribute to economic volatility and uncertainty. Any sustained decline in borrower approvability, loan acceptance or origination volume, or any increase in delinquencies or defaults beyond our expectations, could materially adversely affect our business, financial condition and results of operations.

If we are unable to maintain diverse and resilient loan funding to our marketplace from institutional investors or successfully manage risks associated with committed capital and other co-investment arrangements, our growth prospects, business, financial condition and results of operations could be adversely affected.

Our business depends on sourcing and maintaining diverse and resilient sources of capital from institutional investors to our marketplace, including through the purchase of whole loans and interests in loans through pass-through certificates and asset-backed securities. A significant portion of loans transacted on our marketplace are purchased by institutional investors. The availability and capacity of capital from institutional investors depends on many factors that are outside of our control, such as economic and market conditions, interest rates, liquidity in the capital markets and regulatory requirements or restrictions, which are subject to change. We cannot be sure that the existing capital sources will continue to be available, or any new capital sources will become available, on commercially reasonable terms or at all. Decreased capital from institutional investors has negatively impacted our business in the past, and may negatively impact us in the future. Any sustained decline in investor demand for Upstart-powered loans or securities secured by such loans may adversely affect our financial results.

A significant portion of our loan funding from institutional investors comes from committed capital and other co-investment arrangements, which may include downside credit risk protection, subject to certain limits and conditions. Under these arrangements, we may be required to compensate investors if loan credit performance deviates from expectations. We may also be required to compensate investors if committed loan sale volumes are not achieved. If loans do not perform as expected for any reason, including due to changes in borrower behavior or ability to pay, borrower demand declines, or our credit performance expectations are inaccurate, our financial results could be adversely affected, including through unfavorable fair value adjustments. We may also experience declines in revenue and transaction volume if existing arrangements do not provide funding on agreed terms or if we are unable to secure additional arrangements on commercially reasonable terms or at all.

Capital arrangements entered into during periods of higher interest rates may become more costly if interest rates decline and the terms of such arrangements remain in place. Despite our efforts, marketplace capital constraints may persist, and we may be required to rely more heavily on our balance sheet, incur higher funding costs or agree to less favorable terms to maintain loan origination volume, which could adversely affect our business, financial condition and results of operations.

Our loan funding and financing arrangements with lending partners, institutional investors, securitization programs, and warehouse credit and risk retention financing facilities expose us to certain risks, and if we fail to successfully manage such risks, our supply of capital may decrease or we may be required to seek more costly or less efficient capital for our marketplace.

We have facilitated securitizations, and may in the future facilitate additional securitizations, of Upstart-powered loans to allow institutional investors, certain lending partners, and/or us to liquidate or finance such loans through the asset-backed securities markets or other capital markets products. In securitization transactions, we sell and convey pools of loans to special purpose entities (“SPEs”), which issue notes or certificates pursuant to indentures and trust agreements. We also finance certain loans on our balance sheet through warehouse credit facilities, including by selling loans to warehouse trust SPEs and borrowing under associated credit facilities. Securities issued by securitization SPEs and borrowings under warehouse facilities are secured by the loan pools owned by the applicable SPEs, and we, our lending partners and/or institutional investors may contribute loans to such SPEs in exchange for cash and/or debt or equity interests.

When we act as sole sponsor of securitizations, we are required under Regulation RR to retain a portion of the credit risk of the underlying loans for a specified period of time. We may finance some or all of these retained interests through risk retention financing facilities. If retained interests decline in value, or if we are unable to finance or refinance retained risk positions on acceptable terms, our liquidity, funding costs and results of operations could be adversely affected. We may also retain subordinated or residual interests beyond minimum risk retention requirements, which are exposed to greater credit risk and may lose value, including becoming worthless. Regulatory requirements applicable to securitizations, including under the Dodd-Frank Act, the Investment

Company Act of 1940, and the “Volcker Rule,” as well as changes in state licensing requirements, may limit the type or structure of securitizations we are able to complete, and failure to comply with applicable securitization laws or regulations could restrict our ability to access securitization markets or require us to restructure or discontinue certain financing arrangements.

Servicing fees generated by our loan servicing activities for loans sold to institutional investors or contributed to asset-based securitizations and pass-through certificate transactions also represent a material portion of our earnings, and investor demand for Upstart-powered loans and related securities may fluctuate based on loan performance, pricing and servicing economics, macroeconomic conditions, investor risk appetite, regulatory or accounting considerations and the availability of funding and liquidity in the capital markets.

In connection with our asset-backed securitizations, pass-through certificate transactions, warehouse credit facilities and whole loan sale arrangements, we make representations and warranties concerning the loans transferred. If such representations and warranties are inaccurate and are not timely cured, we may be required to repurchase loans, make payments or provide indemnification to financing parties. Failure to satisfy these obligations could constitute a default or termination event under the applicable agreements and could require us to fund repurchases or make other payments at a time when liquidity may be constrained. If repurchase or payment obligations were to increase, or if we are unable to fund such obligations when required, our liquidity, financial condition and results of operations could be adversely affected, and a high volume of repurchases or payments could harm our reputation as a loan seller and servicer. If securitizations, warehouse facilities or risk retention financing are not available or economical, we may need to seek alternative financing, rely more heavily on our balance sheet or reduce loan originations, which could adversely affect our business, financial condition and liquidity.

We are also subject to counterparty risk arising from derivative instruments, beneficial interests, warehouse facilities and custodial arrangements, and a counterparty’s failure to perform could result in losses and adversely affect our business, financial condition and results of operations.

If we are unable to continue to improve our AI models or if our AI models are ineffective, including by failing to accurately or timely reflect changes in economic conditions on borrowers’ credit risk, our growth prospects, business, financial condition and results of operations would be adversely affected.

Our ability to attract borrowers and facilitate loan originations on our marketplace depends in large part on the effectiveness of our AI models in evaluating borrower creditworthiness and pricing loans appropriately. Our overall operating efficiency and margins further depend in part on our ability to maintain a high degree of automation in our application process and achieve incremental improvements in the degree of automation. If our AI models contain errors, rely on inaccurate assumptions or data, or otherwise fail to perform as expected, loans may be sub-optimally priced or incorrectly decisioned, which could result in losses that are higher than expected, reduced borrower demand, and decreased loan originations. For example, as of March 31, 2026, the quarterly vintages of all personal loans excluding small dollar loans that originated in the first quarter of 2023 through the first quarter of 2024 are forecasted to underperform relative to their target returns set at the time of loan origination. Our AI models and related decisioning processes also depend on the availability, accuracy and timeliness of data and other inputs, including information provided by applicants and third-party sources. If the data or inputs used to train, operate, calibrate or monitor our AI models are inaccurate, incomplete, biased or otherwise unreliable, or if our access to key data sources is terminated or interrupted, our models may not perform as expected and our ability to evaluate credit risk or price loans may be adversely affected.

In addition, we may make errors in the development, validation, testing, governance, or implementation of our AI models or related tools and processes, and such errors may not be detected prior to deployment. Or, our AI models may not be able to accurately predict borrower behavior or loan performance under all circumstances, particularly during periods of economic uncertainty or rapid changes in macroeconomic conditions.

Underperformance of Upstart-powered loans relative to expectations may also reduce demand from lending partners and institutional investors, constrain capital and negatively affect our financial results. If our AI models do not accurately or timely reflect changes in economic conditions affecting borrowers' credit risk, the performance of Upstart-powered loans may be worse than anticipated, which could harm our reputation, erode trust with lending partners and institutional investors, and adversely affect our business, financial condition and results of operations. If model performance deteriorates, our lending partners and investors may change or tighten their underwriting or pricing requirements, reduce demand for Upstart-powered loans, require additional credit enhancement or other structural protections, or impose less favorable terms across our loan funding arrangements, any of which could adversely affect our business.

If we are unable to manage the risks associated with the Upstart Macro Index (UMI), our credibility, reputation, business, financial condition and results of operations could be adversely affected.

UMI is our effort to quantify the level of macroeconomic risk, in terms of the losses or defaults, within Upstart-powered unsecured personal loan portfolios, excluding small dollar loans. As we continue to refine UMI, we have revised previously published values and may further revise current or historical values in the future. Significant changes or revisions to UMI could harm our credibility and reputation with lending partners and institutional investors, which could adversely affect our business. Furthermore, the correlation between UMI and actual macroeconomic risk, including loan losses or defaults, may not be as meaningful or reliable as we expect. If UMI fails to accurately or adequately reflect macroeconomic risk, or is perceived as misaligned or misleading, lending partners and institutional investors may distrust or disregard UMI, which could negatively affect their willingness to use our marketplace or fund loans.

UMI is based on our analysis of the losses within Upstart-powered unsecured personal loan portfolios, excluding small dollar loans, and is specific to our borrower base, which changes over time. UMI may not be an appropriate indicator of risk for specific loan products, borrower segments or non-Upstart loan portfolios, and it is not intended to measure or predict broader economic conditions, future loan performance, our results of operations or our stock price. Investors, lending partners or analysts may misunderstand, misinterpret or misuse UMI for unintended purposes, which could harm our reputation, reduce confidence in our disclosures and impair our ability to attract and retain lending partners and institutional investors. Any failure to manage these risks could adversely affect our ability to maintain diverse and resilient loan funding and harm our business, financial condition and results of operations.

If we are unable to approve a significant number of borrowers for loans through our marketplace, our growth prospects, business, financial condition and results of operations would be adversely affected.

The vast majority of our revenue comes from platform and referral fees and servicing fees on loans facilitated through our marketplace. To increase the number of loans facilitated through our marketplace, we must have an adequate supply of capital from lending partners and institutional investors, and borrowers must satisfy the requirements for approval established by our models and our lending partners.

While we continue to improve the accuracy of our AI models, which we believe is key to our long-term success, such improvements may not result in an increase in the number of borrowers approved on our platform. These improvements have led us in the past and may lead us in the future to reevaluate our credit decisioning process, including the risks associated with certain borrowers. Changes in borrower default patterns and credit performance have in the past and could in the future result in fewer borrowers being approved for loans on our platform.

In addition, our lending partners' credit requirements and the target returns our lending partners and institutional investors demand in order to provide capital to our marketplace have, and could continue to, negatively impact our ability to extend loan offers with competitive terms or at all to certain borrowers on our marketplace. If we are not able to fill purchase commitments for our institutional investors or maintain a platform meeting the origination requirements of our lending partners, we risk jeopardizing our marketplace.

Macroeconomic environments fluctuate over time, and the costs and risks associated with consumer borrowing evolve in response to economic conditions. During periods of challenging macroeconomic conditions, including periods of elevated borrowing costs and heightened consumer credit risk, the pool of qualified borrowers may become smaller, and fewer applicants may receive or accept loan offers on our marketplace. Approving more borrowers can also be limited as we have historically limited the maximum annual percentage rates offered on Upstart-powered loans due to regulatory reasons. These factors have adversely affected, and may in the future adversely affect, transaction volume on our marketplace and therefore our revenue. If we are not able to maintain or increase transaction volume on our marketplace, or attract and retain qualified borrowers, our growth prospects, business, financial condition and results of operations would be adversely affected.

A limited number of lending partners account for a significant portion of loan originations and revenue on our marketplace, and our business depends on our ability to retain existing lending partners and attract new ones.

Our success depends in significant part on the continued participation of lending partners in our marketplace, which provide both loan funding and a substantial portion of our revenue. A limited number of lending partners account for a significant portion of loan originations and revenue on our marketplace.

If one or more significant lending partners reduce, suspend or cease their business with us for any reason, or if we are unable to attract and onboard new lending partners to replace or supplement existing relationships, loan origination volume and revenue could decline. Our ability to attract new lending partners may be limited by lengthy or complex onboarding processes, prospective partners' diligence requirements, or changes in target returns, funding costs or risk tolerance. Prospective lending partners may also be cautious in adopting our platform or in purchasing loans originated on the Upstart platform due to regulatory uncertainty, AI model governance or fair lending compliance considerations, as well as the time, cost and operational changes required to integrate our technology, which can delay onboarding and make the timing and volume of related revenue difficult to predict.

We enter into a separate agreement with each of our lending partners. These agreements are non-exclusive and may contain minimum fee amounts. Lending partners may decide to stop working with us, seek to modify agreement terms in a cost-prohibitive manner when their agreement is up for renewal, or enter into exclusive or more favorable relationships with our competitors. In addition, lending partners may adjust or terminate their business with us based on macroeconomic conditions, funding costs, regulatory requirements, credit performance, internal priorities, competitive dynamics or changes in business strategy. Federal or state regulators may also require lending partners to terminate or limit their business with us, or impose regulatory pressure that constrains their ability or willingness to participate in our marketplace. If we are unable to retain existing lending partners or attract new lending partners on acceptable terms, our business, financial condition and results of operations could be adversely affected.

We have incurred net losses in the past, and we may not be able to sustain or achieve profitability in the future.

Although we have been profitable in certain periods, we have also incurred net losses and may do so again in the future. We have made, and expect to continue to make, significant investments in our business, and we may not be able to increase revenue sufficiently to offset these costs, which could prevent us from achieving or sustaining profitability. These investments include investment in our proprietary AI models, product development, borrower acquisition, platform enhancements and expansion of our loan offerings. Our ability to sustain or achieve profitability in any given period may also be affected by the mix of loan products facilitated through our marketplace and fluctuations in our borrower acquisition costs. Changes in product mix, including the growth of products with lower margins, as well as increases in borrower acquisition costs, may adversely affect our financial results and limit our ability to sustain profitability.

We have incurred losses in the past, and may incur losses in the future, due to a variety of factors, including the other risks described in this section, macroeconomic conditions, unforeseen expenses, operational challenges, and delays in executing our business strategies. Any failure to maintain or increase revenue at a pace sufficient to support our investment levels and other operating expenses could adversely affect our ability to achieve or sustain profitability. If we are unable to successfully address these risks and challenges as they arise, our business, financial condition and results of operations could be adversely affected.

We have submitted an application for a national bank charter. The application may be delayed, denied, approved, or subject to conditions. Even if we obtain the requisite regulatory approvals to form a national bank, we may not realize the anticipated benefits of operating a bank.

We have submitted an application to the Office of the Comptroller of the Currency (OCC) and the Federal Deposit Insurance Corporation (FDIC) to establish an insured national bank, Upstart Bank, N.A. We will also apply to the Federal Reserve for approval for Upstart Holdings, Inc. to become a bank holding company. Regulatory approvals for the bank charter, deposit insurance, and bank holding company applications are subject to a number of requirements, including minimum capital and liquidity requirements, compliance and risk management requirements, and a determination that the proposed activities are legally permissible, among others. The application may be denied, regulatory approval may be delayed or subject to conditions, and there may be changes to applicable laws or supervisory expectations that govern the bank's operations. Once opened, a bank subsidiary will also subject us to various regulations with respect to our activities and will introduce additional operational complexity, including the need to build and maintain bank-specific infrastructure, risk management, compliance, and reporting capabilities. Operating a bank is also likely to result in new costs, which may be significant and could reduce or offset some or all of the anticipated benefits of the bank charter. For these and other reasons, we may be unable to fully realize the benefits, efficiencies, cost reductions, or funding advantages that we expect by obtaining a bank charter, and our business, financial condition, and results of operations may be adversely affected.

If we are unable to manage risks associated with the loans on our balance sheet, our business, financial condition and results of operations may be adversely affected.

We have held more Upstart-powered loans on our balance sheet in recent years and may continue to do so in the future. We have used, and may continue to use, our balance sheet to support our research and development activities for new loan products and borrower segments. In addition to research and development activities, we have used and may continue to use our balance sheet to purchase Upstart-powered loans from lending partners to address fluctuations in supply and demand in our marketplace.

We hold loans on our balance sheet at fair value and estimate fair value using a discounted cash flow methodology. Increases in market interest rates may reduce the fair value of loans held on our balance sheet, which have negatively affected, and may in the future negatively affect, the fair value of such loans. In addition, for loans held on our balance sheet and any future loans to be held on our balance sheet, we bear the credit risk in the event of borrower default. Our exposure to rising borrower default rates and their volatility has increased, and may continue to increase, as we hold more Upstart-powered loans on our balance sheet. Also, loans for research and development purposes make up a substantial portion of the loans held on our balance sheet and are generally more risky and more likely to default than personal loans.

At times, default rates and charge-offs for certain loan categories have been higher than expected, resulting in unfavorable fair value adjustments to the loans on our balance sheet. Unfavorable fair value adjustments have negatively impacted our revenue in the past and may do so again in the future if loan performance deteriorates or fails to meet expectations. Furthermore, a portion of our revenue is interest income derived from loans held on our balance sheet, and increasing the number of loans we hold would increase the mix of our revenue that comes from interest on loans. From a liquidity perspective, a growing number of loans on our balance sheet increases our liquidity risk. If we are unable to sell loans held on our balance sheet on commercially reasonable terms or at all, our liquidity position could be adversely affected. Any of the foregoing could adversely affect our business, financial condition and results of operations.

Our quarterly results may fluctuate significantly, which could adversely affect our business and the trading price of our common stock.

Our operating and financial results have, in the past, and may, in the future, fluctuate significantly from period to period due to a variety of factors, many of which are outside of our control. Factors that may cause these fluctuations include, among others, changes in macroeconomic conditions; fluctuations in borrower demand and loan origination volume, including seasonal patterns; changes in the availability and cost of loan funding; changes in credit performance; shifts in product mix; the timing and success of new products, partnerships or funding arrangements; changes in interest rates; changes in regulatory requirements or enforcement priorities; and changes in our operating expenses.

In addition, we typically experience seasonality in the demand for Upstart-powered loans, which has been generally lower in the first quarter. This seasonal slowdown has been primarily attributable to high loan demand around the holidays in the fourth quarter and the general increase in borrowers' available cash flows in the first quarter, including cash received from tax refunds, which temporarily reduces borrowing needs.

As a result of these and other factors, our operating and financial results for any given period may fall below the expectations of investors or securities analysts, which could cause the trading price of our common stock to decline. Fluctuations in our operating results may also make it difficult for investors to evaluate our business and future prospects, which could further contribute to volatility in the market price of our common stock.

Our reputation and brand are important to our success, and failure to maintain, protect and promote our brand may harm our business.

We believe maintaining a strong brand and trustworthy reputation is critical to our success and our ability to attract borrowers to our marketplace, attract new lending partners, maintain diverse and resilient loan funding and sustain good relations with regulators. The maintenance of our brand and reputation depend on a number of factors, including the performance and perceived effectiveness of our proprietary AI models, the quality and pricing of our products, the reliability and scalability of our platform, regulatory compliance, loan performance outcomes and our ability to innovate and respond to evolving customer and partner needs. In addition, the availability and perceived attractiveness of alternative products or platforms from our competitors may influence how our brand and value proposition are perceived. Competitive pressures may result in reduced demand for Upstart-powered loans, pricing pressure, increased costs or loss of market share, any of which would harm our reputation and brand. If we are unable to differentiate our platform and maintain trust with borrowers, lending partners, institutional investors, and other third parties, our business, financial condition and results of operations could be adversely affected.

Furthermore, negative publicity about us or the consumer lending industry, including regarding our AI-powered credit decisioning models, loan performance, servicing or collections practices, marketplace model, use of AI, regulatory compliance, data privacy and cybersecurity practices, litigation or regulatory actions, or the experience of participants on our platform, even if inaccurate or unfounded, could harm our reputation and reduce confidence in our platform. Such reputational harm could reduce usage of our platform and adversely affect our business, financial condition and results of operations.

If we are unable to manage the risks related to our loan servicing and collections obligations, our business, financial condition and results of operations could be adversely affected.

Our success depends in part on our loan servicing and collection efforts. A meaningful portion of our revenue from fees is generated from loan servicing fees. The vast majority of Upstart-powered loans are unsecured and are not guaranteed or insured by any third party or backed by any governmental authority. As a result, our ability to collect amounts owed on such loans on behalf of lending partners, Upstart, institutional investors, and financing lenders is limited if borrowers are unwilling or unable to repay. Even where loans are secured, including auto loans or HELOCs, we may be limited in our ability to recover amounts owed if collateral cannot be located or recovered or if collateral values decline.

Our ability to collect on loans is largely dependent on borrowers' financial health and may be adversely affected by factors such as unemployment, illness, bankruptcy, economic downturns or other circumstances beyond a borrower's control. Federal and state laws, including bankruptcy and insolvency laws, may further limit recoveries. If delinquencies, defaults or bankruptcies increase, our collections and recovery rates may decline, which could reduce fees payable to us, negatively affect lending partner and institutional investor demand for Upstart-powered loans, erode trust in our marketplace or increase loan funding costs.

We conduct collection activities for certain lending partners, institutional investors, and financing lenders. Because we have limited experience conducting first-party or in-house collection activities, we cannot be certain that we will be able to effectively manage risks associated with such activities. We also rely on third-party collection agencies and, in certain cases, litigation strategies to collect from certain delinquent borrowers. If our collection efforts or those of third-party vendors are ineffective, inconsistent, unprofessional or otherwise harm borrowers, our reputation could be damaged, borrower demand could decline and delinquencies and charge-offs could increase.

We act as servicer for most loans facilitated through our marketplace, including loans sold in whole loan transactions, contributed to securitizations and pass-through securities, and pledged in warehouse facilities. Loan servicing is a highly regulated and operationally complex activity, involving manual processes and regulatory compliance obligations. Errors in servicing, failures to comply with servicing requirements or inadequate performance could expose us to liability to borrowers, lending partners, institutional investors or financing lenders, and harm our reputation. If the costs of servicing exceed the servicing fees we earn, our results of operations could be adversely affected.

Auto loans facilitated through our marketplace and retail installment contracts purchased from motor vehicle dealers are secured by vehicles that may depreciate rapidly and may be difficult to locate. We rely on third-party repossession vendors to recover collateral, and repossession may not result in full recovery of amounts owed. Failures by such vendors to adhere to applicable law and regulations could result in loss of the collateral, regulatory action, litigation and/or reputational harm. As we scale our auto lending business, we may face increased operational and compliance risk in coordinating repossession activity and managing title and other collateral requirements that vary by state. For home-secured products such as HELOCs, collections and recovery may involve enforcing liens or pursuing foreclosure-related remedies that can be time-consuming, costly and subject to heightened regulatory and reputational scrutiny.

Servicing and collection activities are subject to extensive and evolving federal and state laws and regulatory oversight. If we fail to comply with applicable servicing, collection or licensing requirements, we could lose licenses, become subject to enforcement actions, sanctions or litigation, or be restricted from servicing loans or operating in certain jurisdictions, which could adversely affect our business, financial condition and results of operations.

A significant portion of our business has historically depended on a single loan product, and shifts in product demand or mix could adversely affect our business.

A significant portion of the loan originations facilitated through our marketplace has historically consisted of unsecured personal loans. While the market for unsecured personal loans has experienced periods of growth, the extent to which this market will continue to grow, or remain attractive to borrowers and capital providers, is uncertain. A variety of factors could adversely affect demand for unsecured personal loans, including macroeconomic conditions, increased interest rates, changes in consumer credit behavior, competition, regulatory developments and other conditions in the credit markets. If demand for unsecured personal loans declines or grows more slowly than expected, our business, financial condition and results of operations could be adversely affected.

Unsecured personal loans are seen as a more risky credit product because they are not backed by collateral. As such, borrowers may choose not to prioritize repayment of unsecured personal loans, particularly during an economic down cycle, and instead prioritize repayment of secured indebtedness obligations over unsecured personal loans. If we are unable to effectively manage risks associated with our personal loan product, our business, financial condition and results of operations could be adversely affected.

While the unsecured personal loan product represents the majority of our business, we offer other loan products on our marketplace and may continue to expand and scale additional products over time. Newer loan products may have different margins or default rates than our personal loan products. Offering and scaling multiple products introduces additional operational, regulatory, funding and servicing complexity and exposes us to risks that differ from those associated with a single product offering. In order to preserve and expand our relationships with lending partners and institutional investors, it may become important for us to offer a broader range of loan products than we have historically offered. Our competitors may also seek to gain or maintain market share by underpricing certain loan products or accepting lower returns, even if such practices result in losses. These competitive dynamics could reduce demand for loans facilitated through our marketplace or adversely affect the economics of our platform.

We are continuing to introduce and develop new loan products and service offerings, and if these products are not successful or we are unable to manage the related risks, our growth prospects, business, financial condition and results of operations could be adversely affected.

We have introduced auto loans, retail installment contracts purchased from motor vehicle dealers, small dollar loans, and home equity lines of credit products and are continuing to invest in developing these products and other new credit products and service offerings. We have limited operating history with respect to certain of these products, and new initiatives are inherently risky, as each involves unproven business strategies, new regulatory requirements and new financial products and services with which we, and in some cases our lending partners, have limited or no prior development or operating experience.

As part of our growth strategy, we may continue to offer and scale multiple loan products with distinct borrower profiles, underwriting considerations, regulatory requirements, funding sources and servicing obligations. While these newer products currently represent a small portion of our business, they are expected to grow at a different rate than our personal loan product. We cannot be sure that we will be able to develop, commercially market and achieve market acceptance of any new products and services. In addition, our investment of resources to develop new products and services may be insufficient or result in expenses that are excessive in light of the benefits actually derived from these new offerings, particularly in the near term. Investment in new products or services may also need to be delayed, modified or deferred due to market, macroeconomic or other conditions.

We may also have difficulty securing adequate loan funding from lending partners or institutional investors for new loan products and services, which may require us to hold more loans on our balance sheet for extended periods of time. If the borrower profile for new products differs from that of existing products, our AI models may not accurately evaluate credit risk and we may not be able to obtain loan funding for such products on commercially reasonable terms, or at all. New products may also experience higher levels of delinquencies or defaults as our models calibrate to different borrower populations or data sets. Furthermore, new products and services may raise new or complex regulatory compliance obligations, increase our costs, reduce margins or take longer than anticipated to achieve target margins. Our development efforts may also divert management attention and resources from existing operations. If we are unable to effectively manage these risks, our growth prospects, business, financial condition and results of operations could be adversely affected.

If we do not compete effectively in our target markets, our business, results of operations and financial condition could be harmed.

The consumer lending market is highly competitive and increasingly dynamic as emerging technologies continue to enter the marketplace. Our inability to compete effectively could result in reduced loan volumes, reduced average loan sizes, reduced fees, increased marketing and borrower acquisition costs or a failure of our marketplace to achieve or maintain broader market acceptance, any of which could adversely affect our business and results of operations.

We compete to varying degrees with other sources of consumer credit, including banks, non-bank lenders, retail-based lenders and other financial technology platforms. Because personal loans may serve as a replacement for credit cards, we also compete with the convenience and ubiquity of credit cards and buy now, pay later products. Many competitors operate under different business models, have different funding sources, cost structures or regulatory obligations, or focus on different segments of the market. We may also face competition from banks or companies that have not previously competed in consumer lending, including companies with access to large amounts of consumer-related data that could be used to develop their own credit risk models, and many current or potential competitors have significantly greater financial, technical and marketing resources than we do.

Our competitors may have longer operating histories, greater brand recognition and loyalty, lower costs of capital, more diversified products, broader borrower or partner relationships, more diversified funding sources or greater balance sheet capacity than we do. Competitors may also modify their pricing or business models to compete more directly with us, including by offering lower pricing or more flexible terms. Our ability to compete will also depend on our ability to provide lending partners with a competitive suite of loan products and services. In addition, competitors may pursue acquisitions or strategic alliances that provide access to lower-cost capital, expanded distribution or enhanced regulatory capabilities, further intensifying competition.

Our industry is driven by constant innovation, including rapid advances in AI and machine learning. If we fail to anticipate or respond adequately to technological developments, or if competitors develop credit models or technologies that are superior to ours, our ability to compete effectively could be adversely affected. If we are unable to compete effectively or keep pace with innovation in our industry, demand for our marketplace could stagnate or decline, which could harm our business, results of operations and financial condition.

If we are unable to manage the risks associated with fraudulent activity, our brand and reputation, business, financial condition and results of operations could be adversely affected.

Fraud is prevalent in the financial services industry and may increase as perpetrators become more sophisticated. We are subject to the risk of fraudulent activity associated with borrowers, employees and third parties that handle borrower information, and in limited circumstances we cover certain fraud-related losses of our lending partners and institutional investors. Fraud rates may also increase during economic downturns.

We use a combination of proprietary AI models and third-party tools to detect and prevent fraud by validating applicant-reported data and information obtained from third-party sources. However, these efforts may not be sufficient to identify all fraudulent activity. If fraud detection controls are ineffective, fraud-related losses on Upstart-powered loans could increase, erode confidence in our marketplace, and adversely affect our financial condition and results of operations. Fraud perpetrators may also target our platform due to the high degree of automation in our credit decisioning processes. In addition, we, our lending partners or institutional investors may be unable to recover amounts disbursed on loans made in connection with inaccurate statements, omissions or fraudulent activity.

Significant increases in fraudulent activity could result in heightened regulatory scrutiny or intervention, increase compliance and operating costs, and harm our brand and reputation. Further, if higher levels of fraud lead to increased human review of loan applications, the level of automation on our platform could decline, negatively affecting our operating efficiency and unit economics. If we are unable to effectively manage fraud-related risks, our business, financial condition and results of operations could be adversely affected.

We depend on our key personnel and other highly skilled personnel, and if we fail to attract, retain and motivate our personnel, our business, financial condition and results of operations could be adversely affected.

Our success depends on the continued service of our senior management team and other highly skilled personnel. Our success also depends on our ability to identify, hire, develop, motivate and retain highly qualified personnel. In the first quarter of 2026, we announced certain changes to our executive leadership team, including the succession of our Chief Executive Officer and the appointment of a new Chief Financial Officer. Although we seek to manage leadership transitions carefully, such changes may create uncertainty or present challenges related to continuity of our business, preservation of our culture, and our ability to attract and retain highly qualified personnel.

Competition is high for skilled personnel, including engineering and data analytics personnel, particularly in the San Francisco Bay Area where our headquarters is located. While we have transitioned to what we call a “Digital First” work model that allows us to recruit from a wider talent pool, we have experienced, and expect to continue to face, difficulty identifying and hiring qualified personnel, especially as we pursue our growth strategy. We may not be able to hire or retain such personnel at compensation or flexibility levels consistent with our existing compensation structure and policies. We periodically review our compensation levels to ensure they remain competitive, and we may need to further increase compensation in response to competition, inflation or labor shortages, which would increase our operating costs. Many companies with which we compete for experienced employees have greater resources and may be able to offer more attractive terms of employment. In addition, the current regulatory environment related to immigration is uncertain, including with respect to the availability of H1-B and other U.S. visas. If a new or revised U.S. visa program is implemented, it may impact our ability to recruit, hire, retain, or effectively collaborate with qualified skilled personnel.

Furthermore, we have reduced our workforce in the past and may do so again in the future to lower operating costs or streamline operations. Workforce reductions may adversely affect employee morale, culture and productivity, and our ability to attract and retain personnel, result in the loss of institutional knowledge, disrupt operations, or impair our ability to pursue new initiatives due to reduced resources. We may not realize the anticipated benefits or cost savings from workforce reductions, and any failure to effectively manage such actions could adversely affect our business, financial condition and results of operations.

Borrowers may prepay a loan at any time without penalty, which could reduce our servicing fees and deter our lending partners and institutional investors from investing in loans facilitated through our lending marketplace.

A borrower may decide to prepay all or a portion of the outstanding principal amount on a loan at any time without penalty. If the entire outstanding unpaid principal amount of a loan is prepaid, we would not receive a servicing fee for the period after the loan is prepaid in full. Our AI models are designed to predict prepayment rates, but prepayment may occur for a variety of reasons. If a significant volume of prepayments occur that our AI models do not accurately predict, the amount of our revenue from servicing fees would decline and returns targeted by our lending partners and institutional investors would be adversely affected, which would harm our business and results or operations and our ability to attract new lending partners and institutional investors.

The long-term impact of operating with a Digital First workforce on our business, financial condition and results of operations is uncertain.

Since our announcement of a Digital First work model, remote work with less time in the office has been the primary experience for most of our employees. Our workforce is principally distributed across the U.S., with only limited presence in Canada, and we expect this to continue. There is no guarantee that we will realize any anticipated benefits from this model.

Our Digital First model could lead to a negative long-term impact on our operations, the execution of our business plans and sales and marketing efforts, our company culture, or the productivity and retention of key personnel and other employees necessary to conduct our business, or otherwise cause operational failures. The increase in remote working may also result in increased exposure to consumer privacy and data security incidents, or fraudulent activity. If we are unable to successfully address the foregoing risks and challenges as we encounter them, our business, financial condition and results of operations could be adversely affected.

Unfavorable outcomes in legal proceedings may harm our business and results of operations.

We are, and may in the future become, subject to lawsuits by private parties or governmental agencies, other claims, examinations, investigations, enforcement actions, legal and administrative cases and proceedings, whether civil or criminal, all of which may affect our financial condition and results of operations. These claims, lawsuits and proceedings could involve a wide range of legal and regulatory matters, including consumer protection, employment, intellectual property, data privacy, securities and other commercial or statutory claims. For example, we are a defendant in a number of securities class actions and other related lawsuits. See the "*Legal*" section under "*Note 11. Commitments and Contingencies*" in Part I, Item 1 of this Quarterly Report on Form 10-Q.

In addition, due to the consumer-oriented nature of our business and the application of certain laws and regulations, participants in our industry are regularly named as defendants in litigation alleging violations of federal and state laws and regulations, including consumer protection laws. See the risk factor titled *"—If loans originated by our lending partners were found to violate state law, loans facilitated through our marketplace may be unenforceable or otherwise impaired, we or our lending partners, institutional investors or warehouse lenders may face fines and penalties, and our commercial relationships may suffer, each of which would adversely affect our business and results of operations"* for more information.

If we were subject to such litigation or enforcement, then any unfavorable results of pending or future legal proceedings may result in contractual damages, fines, penalties, injunctions, the unenforceability, rescission or other impairment of loans originated through our marketplace or other censure that could have an adverse effect on our business, results of operations and financial condition. Even if we adequately address the issues raised by an investigation or proceeding or successfully defend a third-party lawsuit or counterclaim, we may have to devote significant financial and management resources to address these issues, which could harm our business, financial condition and results of operations.

We may pursue acquisitions or investments in other businesses or technologies, which could disrupt our business and may not achieve anticipated benefits.

We may pursue acquisitions or investments in other businesses or technologies as part of our growth strategy. These transactions may require significant management attention, involve the integration of different business models, technologies, systems, controls or cultures, and divert resources from our existing operations.

We may encounter difficulties integrating acquired businesses, technologies or personnel, or fail to realize anticipated synergies, cost savings or strategic benefits. In addition, acquisitions or investments may expose us to unforeseen liabilities, integration costs, impairment charges, regulatory scrutiny or other risks. If we are unable to successfully manage or integrate these transactions, or if they fail to achieve their intended objectives, our business, financial condition and results of operations could be adversely affected.

Our financial reporting relies on significant estimates, judgments, key operating metrics and effective internal controls, and inaccuracies or control failures could adversely affect our business.

The preparation of our financial statements requires management to make estimates and assumptions that affect reported amounts and disclosures, including with respect to revenue recognition, loan valuation, credit losses, fair value measurements and other areas. Although we believe these estimates and assumptions are reasonable, they are inherently uncertain, may change as new information becomes available, and may differ materially from actual outcomes.

Our ability to produce timely and accurate financial statements and other periodic reports depends on the maintenance of appropriate information systems, processes and controls. In addition, we regularly assess, and report on, the effectiveness of our internal control over financial reporting. If we or our independent auditors identify deficiencies in internal controls that are deemed to be material weaknesses, or if significant deficiencies or material weaknesses are identified in the future, our financial reporting may be delayed or unreliable.

Our operating and financial results also depend on certain operating and financial metrics that we disclose, including key measures of loan performance, revenue and related performance indicators. These metrics are based on underlying data that involve estimates and assumptions, may not be comparable to similarly titled measures used by other companies, and may change over time as our business evolves. In addition, certain processes used to aggregate, validate and report underlying operating and financial data may involve manual workflows, which may be time-consuming, difficult to scale, and more susceptible to human error. If actual results differ materially from the estimates used in preparing our operating and financial results, or if inaccuracies or incomplete data result from such processes, or if changes in the way we or others define and use key metrics make those metrics less useful or reliable, our business, financial condition and results of operations could be adversely affected. In addition, we may from time to time publish certain operating or performance metrics on a more frequent basis in our Regulation FD channels, which are subject to the same inherent limitations, estimates and potential variability as our other disclosed metrics.

Deficiencies in our disclosure controls or internal control over financial reporting could lead to material errors in our financial statements, restatements, regulatory scrutiny, loss of investor confidence and reputational harm. Any of the foregoing could adversely affect our business, financial condition and results of operations.

We maintain cash deposits in excess of federally insured limits, and adverse developments affecting financial institutions could adversely affect our liquidity and financial performance.

We regularly maintain domestic cash deposits in FDIC insured banks that exceed the FDIC insurance limits. Adverse developments affecting financial institutions or the broader banking system, including bank failures, liquidity constraints or disruptions in the financial or credit markets, could impair our ability to access such funds in a timely manner, which could adversely affect our liquidity, financial condition and results of operations. There can be no assurance that our deposits in excess of the FDIC or other comparable insurance limits will be backstopped by the U.S. treasury, or that any bank or financial institution with which we do business will be able to obtain needed liquidity from other banks, government institutions or by acquisition in the event of a failure or liquidity crisis.

Our business is subject to the risks of natural disasters and other catastrophic events, many of which are becoming more acute and frequent due to climate change, and to interruption by human-induced problems.

Significant natural disasters or other catastrophic events, such as earthquakes, fires, hurricanes, blizzards or floods (including those associated with climate change), as well as power losses, telecommunications failures, strikes, epidemics or pandemics, cyber incidents, system failures or failures of financial institutions, could adversely affect our business, results of operations and financial condition. The effects of climate change may increase the frequency or severity of certain natural disasters. Our operations, including our headquarters in the San Francisco Bay Area and our office in Columbus, Ohio, are located in regions that may be vulnerable to earthquakes, wildfires, severe weather events or other climate-related conditions. Although we maintain disaster response plans and insurance, such events could disrupt our business, the operations of our lending partners or third-party suppliers, and result in losses and additional costs to maintain or resume operations. Our insurance coverage may be insufficient to compensate us for all losses that may occur. In addition, for loans secured by collateral, catastrophic events may also damage or impair collateral or adversely affect collateral values, which could reduce recovery amounts and increase losses.

Acts of war, armed conflict, terrorism, geopolitical unrest, disruptions in global trade, or travel restrictions could cause business disruptions and lead to interruptions, delays or loss of critical data. If our business continuity or disaster recovery plans prove inadequate, or if our personnel, systems or data centers are affected, we may experience interruptions or delays in our operations. To the extent these events adversely affect borrowers' ability to repay their loans, our business, financial condition and results of operations could be negatively affected.

RISKS RELATED TO OUR INTELLECTUAL PROPERTY AND PLATFORM DEVELOPMENT

Security breaches, improper access to our or borrowers' data, or other security incidents may harm our reputation, adversely affect our results of operations and expose us to liability.

We are increasingly dependent on data, information systems, services and infrastructure to operate our business. In the ordinary course of our business, we collect, transmit, store and otherwise process large amounts of sensitive information, including personal information, credit information, and other sensitive data of borrowers and potential borrowers. It is critical that we do so in a manner designed to maintain the confidentiality, integrity, and availability of such information. We also rely on third-party vendors and service providers, including those that support our information technology infrastructure, and certain of these third parties may have access to our systems or sensitive information.

Our information technology systems, as well as those of our third-party vendors and service providers, are vulnerable to inadvertent or intentional security breaches, attacks, outages, disruptions and other incidents. The size, complexity, accessibility and distributed nature of our information technology systems, including systems operated by third parties on our behalf, may increase the likelihood or severity of such incidents. These risks may arise from actions by employees, contractors, vendors, lending partners, institutional investors or other third parties, as well as from malicious threat actors. While we continue to invest in security controls and monitoring, no system can provide absolute security, and our controls and any related actions may fail to prevent, detect, or remediate security incidents promptly or at all. In addition, our use of advanced technologies, including AI, may introduce additional cybersecurity risks or be exploited by threat actors, increasing the complexity of managing our security environment.

Like other financial and technology services firms, we and certain vendors and service providers that support us have been, and continue to be, the targets of actual or attempted unauthorized access, mishandling or misuse of information, computer viruses or malware, distributed denial-of-service attacks, other cyberattacks, security breaches or incidents, or other similar events. Security breaches, attacks, outages, disruptions, or other incidents affecting us or our vendors or service providers could compromise the confidentiality, integrity or availability of our systems, proprietary models, algorithms, or data, cause service interruptions, disrupt our operations, degrade the user experience of our platform, or result in unauthorized access to, disclosure of, or other processing of sensitive information, including borrower data. Such incidents could adversely affect borrowers, lending partners and other third parties that rely on our platform and could harm our reputation, reduce transaction volume or otherwise adversely affect our business.

Security incidents, whether actual or perceived, may trigger notification obligations, regulatory investigations or enforcement actions, litigation, contractual liability, significant remediation costs, or negative publicity. Any of these consequences could cause borrowers, lending partners, or other third parties to lose confidence in our platform and could harm our reputation. We maintain insurance policies intended to cover certain cybersecurity and privacy-related risks; however, this coverage may be insufficient, unavailable on acceptable terms, subject to exclusions or deductibles, or contested by insurers. Any security incident could adversely affect our business, financial condition, and results of operations.

Any significant disruption of, or failure in, our technology systems, including our AI lending platform, could adversely affect our business, financial condition and results of operations.

Our business depends on the continuous operation, availability and security of our AI lending platform and related technology systems. We rely on these systems to process loan applications, service loans, support underwriting and pricing decisions, and manage data and reporting for our lending partners and institutional investors. Our reliance on electronic loan origination, disclosures and signatures, rather than paper-based processes, may increase the risk of errors or system failures.

We are also dependent on a number of third-party infrastructure and services, including cloud computing, data storage and network services, to operate our platform. If these services are interrupted, degraded or terminated, whether due to system failures, cyber incidents, human error or other causes, we could experience disruptions in our operations and delays in loan processing or servicing. For example, we host our AI lending platform using Amazon Web Services ("AWS"), a provider of cloud infrastructure services. In the event that our AWS service agreements are terminated, there is a lapse of service, interruption of internet service provider connectivity, or damage to AWS data centers, we could experience interruptions in access to our platform, as well as delays and additional expense if we must secure alternative cloud infrastructure services, which could reduce confidence in the reliability of our platform and cause lending partners or institutional investors to reduce, suspend or cease funding or other participation on our marketplace.

We also collect, store, and process large volumes of sensitive borrower and applicant information, as well as proprietary information, including data used to develop, train, and operate our AI models and related technologies. Unauthorized access to or use of our systems or data, or other security breaches or incidents could result in service disruptions, loss of data, including proprietary or AI-related data, regulatory investigations and other proceedings, litigation, remediation costs and reputational harm.

Our disaster recovery, business continuity and information security controls may not be effective in all circumstances. As our business grows and our technology systems become more complex, we may need to make significant investments to maintain the capacity, reliability and security of our platform. Any failure to effectively manage these risks could adversely affect our business, financial condition and results of operations.

Our platform and internal systems rely on software that is highly technical, and if our software contains undetected errors, our business could be adversely affected.

Our platform and internal systems rely on software that is highly technical and complex and depend on the ability of such software to store, retrieve, process and manage high volumes of data. The software on which we rely has contained, and may in the future contain, errors, bugs or defects, some of which may not be discovered until after deployment.

Any real or perceived errors, bugs, or defects could result in incorrect or delayed processing of loan applications, inaccurate pricing or disclosures, failures in compliance or fraud-detection controls, disruptions to our platform or services, or other operational issues. Any such failures could harm our reputation, reduce borrower or lending partner confidence, cause lending partners or institutional investors to reduce, suspend or terminate their participation or funding, increase regulatory scrutiny, expose us to fines, penalties or liability, or otherwise adversely affect our business, financial condition and results of operations.

It may be difficult and costly to protect our intellectual property rights, and we may not be able to ensure their protection.

Our ability to operate our platform depends, in part, upon our proprietary technology. We may be unable to protect our proprietary technology effectively, which may allow competitors to duplicate our AI models or AI lending marketplace and adversely affect our ability to compete with them. We rely on a combination of copyright, trade secret, patent, trademark laws and other rights, as well as confidentiality procedures and contractual provisions, to protect our proprietary technology, processes and other intellectual property. We have limited patent protection, and our current patent applications may not be successful. A third party may attempt to reverse engineer or otherwise obtain and use our proprietary technology without our consent. Our failure to secure, protect and enforce our intellectual property rights could adversely affect our brand and adversely impact our business.

Our proprietary technology, including our AI models, may actually or may be alleged to infringe upon third-party intellectual property rights, and we may face intellectual property challenges from such other parties. We may not be successful in defending against any such challenges or in obtaining licenses to avoid or resolve any intellectual property disputes. If we are unsuccessful, such claims or litigation could result in a requirement that we pay significant damages or licensing fees, be required to cease using certain technology, limit or change our use of certain data, or make changes to our business to avoid such infringement, any of which could reduce the effectiveness of our AI models or otherwise negatively impact our financial performance. Defending such claims could also be costly, time-consuming and divert management attention.

Moreover, it has become common in recent years for individuals and groups to purchase intellectual property assets for the sole purpose of making claims of infringement and attempting to extract settlements from companies such as ours. Even where we believe such claims are without merit, defending against them may be expensive and time-consuming. In addition, contractual protections or insurance may be insufficient or unavailable to cover all such costs or liabilities.

Finally, if we are unable to protect, enforce or obtain rights to our proprietary technology, or if third parties successfully challenge those rights, our competitive position and ability to differentiate our platform could be adversely affected, which could in turn harm our business, financial condition and results of operations.

Some aspects of our business processes include open source software, and any failure to comply with the terms of one or more of these open source licenses could negatively affect our business.

We incorporate open source software into processes supporting our business. Some of this open source software is governed by licenses such as the GNU General Public License and the Apache License. The terms of various open source licenses have not been definitively interpreted by U.S. courts, and there is a risk that such licenses could be construed in a manner that limits our use of the software, inhibits certain aspects of our systems or otherwise adversely affects our business operations. Certain open source licenses may require that modifications or derivative works be made available under the same license terms. Third parties may seek to enforce the terms of applicable open source licenses, including by demanding the release or licensing of modifications or derivative works. If portions of our proprietary software or AI models are determined to be subject to an open source license, or if license terms are interpreted or change in a manner that imposes additional obligations, we could be required to publicly release source code, re-engineer portions of our platform or models, obtain alternative licenses or change our business practices, any of which could adversely affect our business operations and competitive position.

In addition, open source software is generally provided without warranties or assurances regarding its origin, functionality or performance. As a result, open source software may contain vulnerabilities, defects or other issues that could adversely affect our systems. Many of the risks associated with the use of open source software cannot be eliminated and could adversely affect our business, financial condition and results of operations.

The use of generative or agentic AI technologies by our employees or contractors could expose us to unexpected liability.

Our employees and contractors use generative AI technologies in connection with their work, including internally-built generative AI tools that may be integrated into or otherwise impact customer-facing products or services, and the use of such technologies presents risks and challenges that could adversely affect our business. Despite policies governing their use, employee or contractor errors, misuse or unauthorized use of generative AI technologies could result in security incidents and could otherwise introduce security, legal, compliance, or operational risks. Even authorized use of generative AI technologies may generate content, including software code, that is inaccurate, misleading or contains security vulnerabilities. In particular, generative AI tools may produce outputs that appear accurate but are factually incorrect or incomplete, which could result in incorrect information being relied upon by employees or contractors or incorporated into customer-facing products or services. Furthermore, there can be no assurance that our use of generative AI in customer-facing products or services will improve outcomes, enhance user experience, or benefit our business. Use of generative or agentic AI technologies by employees, contractors or others could result in reputational harm, competitive harm or legal liability. In addition, generative AI technologies may introduce cybersecurity risks if vulnerabilities are incorporated into our systems or products. We also use, or may in the future use, agentic AI tools to support servicing or other customer-facing functions, such as customer support, which may increase the risk of errors, inconsistent outputs or failure to adhere to our policies, regulatory obligations or customer expectations.

Many aspects of the legal framework governing intellectual property rights, licensing, and liability related to generative AI remains unsettled, and our use of such generative AI technologies may expose us to claims of copyright infringement, other intellectual property claims, or reputational harm. While we have taken, and continue to take, steps designed to mitigate risks associated with the use of generative AI in our business, including through policies and controls governing the use of generative AI technologies, our use of AI may present ethical, reputational, legal, competitive, and regulatory risks that could adversely affect our business, financial condition, results of operations, and future prospects.

RISKS RELATED TO OUR DEPENDENCE ON THIRD PARTIES

Our proprietary AI models rely in part on the use of loan applicant and borrower data and other third-party data, and if we lose the ability to use such data, or if such data contain inaccuracies, our business could be adversely affected.

We rely on our proprietary AI models, which are statistical models built using a variety of data sets. Our AI models rely on data collected from applicants and borrowers, data obtained from credit bureaus and other third parties, and our historical credit performance data. If the data used by our AI models are inaccurate, incomplete, outdated, biased or otherwise unreliable, or if our access to such data is limited or interrupted, our models may not perform as expected. Evolving regulatory obligations may limit our ability to access, use or control such data or increase the cost of obtaining it. If our access to applicant, borrower or third-party data is restricted, becomes more costly or is otherwise unavailable, our ability to accurately evaluate borrowers, detect fraud and verify applicant information could be compromised, which could negatively affect pricing accuracy, automation levels and loan volume.

Data obtained from third-party sources or provided by applicants may be inaccurate, incomplete, outdated or misleading, including due to reporting errors, staleness or applicant misrepresentation. In particular, data from credit bureaus, data brokers, or other consumer reporting agencies may not accurately reflect an applicant's or borrower's actual credit history due to reporting errors, staleness, incompleteness or other inaccuracies. In addition, limitations on data access or data quality could impair our ability to train, validate and improve our AI models over time, and could require us to modify our models or data-usage arrangements, or to require us to share proprietary data, which could reduce our competitive advantage. Any of the foregoing could adversely affect our ability to attract borrowers, lending partners and institutional investors and harm our business, financial condition and results of operations.

We rely on strategic relationships with loan aggregators to attract applicants to our marketplace, and if we cannot maintain effective relationships with loan aggregators or successfully replace their services, our business could be adversely affected.

A significant number of consumers that apply for a loan on our platform learn about and access our platform through the websites of loan aggregators, typically with hyperlinks from such loan aggregators' websites to landing pages on our website. While we are continuing to expand our direct acquisition channels, we expect to remain significantly dependent on relationships with loan aggregators to maintain and grow our business. For example, a significant amount of our loan originations has been derived from traffic from Credit Karma, one of the loan aggregators with whom we partner. Loan aggregators are not required to display offers from our lending partners and may work with our competitors. If traffic from loan aggregators decreases in the future for any reason or if loan aggregators implement policies that adversely impact our business, our loan originations and results of operations could be adversely affected. There is no assurance that loan aggregators will continue to partner with us on commercially reasonable terms or at all, and our competitors may be effective in providing incentives to loan aggregators to favor their products or services.

Loan aggregators also face litigation and regulatory scrutiny for their part in the consumer lending ecosystem, and as a result, their business models may require fundamental change or may not be sustainable in the future. For example, loan aggregators may be required to obtain and maintain licenses or comply with additional regulatory requirements in certain jurisdictions, which could subject them to increased supervision and more stringent business obligations. While we require loan aggregators to make certain disclosures in connection with our lending partners' offers and restrict how loan aggregators may display such loan offers, loan aggregators may fail to comply with these requirements, which could result in liability to us. Further, we do not have control over any content on loan aggregator websites unrelated to our product, and it is possible that our brand and reputation may be adversely affected by being associated with such content. Borrowers or regulators could also assert claims based on the content presented on a loan aggregator's website, which could result in litigation, regulatory scrutiny or reputational harm.

We rely on third-party vendors, and if such vendors do not perform adequately or terminate their relationships with us, or if regulatory scrutiny of vendor relationships increases, our business could be adversely affected.

Our success depends in part on our relationships with third-party vendors that provide services critical to the operation of our platform. In some cases, our third-party vendors are one of a limited number of sources of such services. For example, we rely on national consumer reporting agencies for a significant portion of the data used in our AI models, as well as third-party verification technologies and services that are critical to maintaining a high level of automation on our platform. We also rely on third-party payment processors or banks to access payment networks and process loan payments.

Many of our vendor agreements are terminable by either party without penalty and with little notice. If any third-party vendor terminates its relationship with us or refuses to renew its agreement on commercially reasonable terms, we would need to identify an alternative provider and may not be able to secure similar terms or replace such services in an acceptable time frame. We also rely on other software and services supplied by vendors, and our business may be adversely affected if such services do not meet our expectations or experience disruptions or outages.

If our third-party vendors fail to comply with applicable laws, regulations or contractual obligations, including with respect to privacy, data protection or security, we could experience service disruptions, regulatory enforcement actions, consumer demands or litigation, and suffer economic or reputational harm. Regulators have increasingly emphasized that supervised financial institutions may be held responsible for the actions of their third-party service providers. As a service provider to regulated financial institutions, we are subject to increased regulatory expectations regarding vendor oversight, due diligence and ongoing monitoring. If we or our vendors fail to meet these expectations, we or our lending partners could be subject to supervisory actions, enforcement proceedings or remedial requirements, which could adversely affect our business, financial condition and results of operations.

We are subject to counterparty risk with respect to the capped call transactions.

The counterparties to the capped call transactions entered into in connection with certain of our convertible notes (the "Notes") are financial institutions, and we are subject to the risk that one or more of the counterparties may default or otherwise fail to perform their obligations under the capped call transactions. Our exposure to the credit risk of the counterparties will not be secured by any collateral. Adverse global economic conditions could affect the financial condition of these counterparties. If a counterparty to a capped call transaction becomes subject to bankruptcy or other insolvency proceedings, we will become an unsecured creditor in those proceedings with a claim equal to our exposure at the time under the relevant capped call transaction. Our exposure will depend on many factors but, generally, our exposure will increase to the extent there is an increase in our common stock market price and in the volatility of the market price of our common stock. In addition, if a counterparty fails to perform or its obligations under a capped call transaction are terminated, we may suffer adverse consequences and may experience greater dilution of our common stock than we otherwise would have expected. We can provide no assurance as to the financial stability or viability of any of the counterparties.

RISKS RELATED TO REGULATION AND LITIGATION

Litigation, regulatory actions and compliance issues could subject us to significant fines, penalties, judgments, remediation costs and other adverse consequences.

In the ordinary course of business, we have been named as a defendant in various legal actions, including securities class action lawsuits and other litigation. These matters may arise from claims relating to consumer protection, lending, servicing, collections, credit reporting, marketing or other aspects of our business. Legal and regulatory actions are inherently unpredictable and, regardless of the merits of the claims, are often expensive, time-consuming, disruptive to our operations and resources, and distracting to management.

Certain matters may involve claims for substantial or indeterminate damages, including statutory damages, penalties assessed on a per-violation basis, or class-wide relief, which could exceed amounts we earned from the underlying activities and may not be fully covered by insurance. Our involvement in any such matters could also cause significant harm to our or our lending partners' reputations, even if the matters are ultimately resolved in our favor. If resolved against us, such actions could result in significant monetary damages, injunctive or equitable relief, remediation requirements or other adverse consequences that may affect our financial condition and how we operate our business.

In addition, participants in the consumer financial services industry, including financial technology companies, have been subject to state attorney general actions and regulatory enforcement proceedings alleging violations of consumer protection, lending, licensing, fair lending or other laws. Any such actions involving us could require significant operational changes, remediation payments or restrictions on our business. In addition, if our arbitration provisions were found to be unenforceable or otherwise limited, our exposure to class action litigation and related costs could increase. From time to time, we may also identify compliance issues that require operational changes or remediation to impacted borrowers, which could result in additional costs, litigation or regulatory scrutiny. The outcome of pending and future legal or regulatory matters could be material to our results of operations, financial condition and cash flows and could materially adversely affect our business.

Our business is subject to a wide range of laws and regulations, many of which are evolving, and failure or perceived failure to comply with such laws and regulations could harm our business, financial condition and results of operations.

We are subject to numerous federal, state and local laws and regulations aimed at consumer protection in the financial services industry. These laws and regulations are complex, evolving and subject to varying interpretations, including with respect to the application of AI and machine learning technologies and the bank partnership model. The application of these laws and regulations may change over time as new products are introduced, regulatory priorities evolve, or judicial or administrative interpretations develop.

New laws, regulations and regulatory interpretations continue to be adopted and may subject us to increased scrutiny, compliance obligations or operational constraints. As we expand into new markets, introduce new financial products and services and continue to evolve our AI models, additional regulatory requirements may apply. In some cases, we may be required to obtain or maintain licenses or approvals, and regulators could deny applications, delay approvals, impose conditions, levy fines or penalties, or otherwise restrict our ability to operate our marketplace.

We may also be subject to heightened regulatory supervision or enforcement at the federal or state level, including by the Consumer Financial Protection Bureau ("CFPB"), state attorneys general or other regulatory agencies. Federal and state regulators have increased scrutiny of fees and practices that may be viewed as unfair, deceptive or abusive, and fees charged in connection with loans facilitated through our marketplace could be subject to challenge or refund.

State regulators have also increased scrutiny of financial technology companies and bank partnership arrangements, including through licensing requirements, enforcement actions or the adoption of laws regulating such relationships. Our business and the activities we facilitate for our lending partners are subject to extensive federal and state laws governing consumer lending, loan servicing and collections, credit reporting, fair lending, privacy and data protection, debt collection, electronic payments, marketing and communications, and related financial services activities.

Furthermore, the regulatory framework governing the development and use of AI and machine learning technology is evolving and remains uncertain. Federal and state regulators have increased scrutiny of AI-driven decision-making, including in consumer lending, and have proposed or adopted laws, regulations and guidance addressing AI governance, transparency and discrimination risks. Regulators may require us to demonstrate robust governance, testing, validation, monitoring, documentation and explainability for our AI models and related decisioning processes. In some cases, regulators may seek explanations for specific model outputs or outcomes, which may be difficult, costly or impractical given the complexity of our models. If we are unable to satisfy evolving expectations relating to AI governance or explainability, we may be required to modify, destroy, limit or discontinue certain models, features, data or products, increase manual review or incur additional compliance costs. Certain state laws regulating “high-risk” AI systems may impose additional compliance, governance, disclosure and risk management obligations.

Our use of AI and automated decision-making may also expose us to increased risk of regulatory enforcement actions and other proceedings, supervisory findings or private litigation, including claims alleging discriminatory or disparate impact, unfair or deceptive practices or improper reliance on automated decision making. Such actions or claims, regardless of merit, could result in significant legal costs, remediation requirements, civil penalties, other liabilities, reputational harm or restrictions on our business.

While compliance is a business priority, it is costly, time-consuming and may limit our operational flexibility. Changes in law, regulation or regulatory interpretation could restrict interest rates, fees or loan structures, require additional licensing or compliance obligations, or otherwise limit the availability of loans facilitated through our marketplace. If we are found to be non-compliant with applicable laws or regulations, we could be subject to fines, penalties, enforcement actions, loss of licenses or authorizations, litigation or other remedies, and loans facilitated through our marketplace could be rendered void, unenforceable, capped at state specific rates or subject to rescission, any of which could harm our business, financial condition and results of operations. For additional discussion of risks related to regulation of our bank partnership model and true lender considerations, see the risk factor titled *“—If loans originated by our lending partners were found to violate state law, loans facilitated through our marketplace may be unenforceable or otherwise impaired, we or our lending partners, institutional investors or warehouse lenders may face fines and penalties, and our commercial relationships may suffer, each of which would adversely affect our business and results of operations”* for more information.

We have been in the past and may in the future be subject to federal and state regulatory inquiries, investigations or enforcement actions, which could adversely affect our business.

We have received, and may continue to receive, inquiries, examinations or investigations from federal, state or local regulatory authorities regarding our business, including our marketplace activities, marketing practices, underwriting and pricing, fair lending compliance, licensing and registration requirements. Responding to such matters can be time-consuming and costly, may divert management attention and resources, and could result in supervisory findings, enforcement actions, fines, penalties, remedial requirements and/or restrictions on our operations.

Regulatory inquiries or investigations, whether or not they result in formal enforcement action or are ultimately resolved in our favor, may be made public and could harm our reputation, increase scrutiny from other regulators or market participants, and negatively affect borrower, lending partner or investor confidence. The initiation or perception of regulatory investigations could also adversely affect the market price of our common stock. Any adverse outcomes arising from regulatory matters could materially affect our business, financial condition, results of operations and cash flows.

The CFPB and other consumer protection regulators have broad authority over our business, and increased supervision or enforcement could adversely affect our business.

The CFPB has broad authority to regulate and enforce compliance with federal consumer financial protection laws, including the prohibition on unfair, deceptive or abusive acts or practices ("UDAAP"), and laws governing lending, servicing, collections, credit reporting and related activities. The CFPB also has supervisory authority over certain banks, thrifts and credit unions and certain participants in the consumer financial services market and larger participants in other areas of financial services, including some of our lending partners and our home lending business, and has authority to supervise or investigate other non-bank entities it determines may pose risks to consumers.

Consumer complaints, supervisory findings or enforcement actions, whether involving us, our lending partners, or other market participants, could increase regulatory scrutiny of our business. If the CFPB were to subject us or our subsidiaries to supervision or initiate enforcement proceedings, it could require operational changes, remediation to borrowers, civil monetary penalties, restrictions on our activities or other remedial actions.

We cannot predict how the CFPB or other regulators will exercise their authority in the future or how changes in regulatory priorities or interpretations may affect our business. The CFPB and other regulators have increased scrutiny of the use of alternative data, machine learning and AI-based decision-making in consumer lending, including with respect to fair lending compliance. If regulators determine that aspects of our AI models, disclosures, servicing or collections practices do not comply with applicable laws, we could be required to modify or discontinue products or practices, incur additional compliance costs or face enforcement actions.

Although we have committed resources to enhancing our compliance programs, regulatory actions involving us, our lending partners, or other market participants could result in reputational harm, loss of lending partners, borrowers or institutional investors, or reduced demand for loans facilitated through our marketplace. Any of the foregoing could adversely affect our business, financial condition and results of operations.

If loans originated by our lending partners were found to violate state law, loans facilitated through our marketplace may be unenforceable or otherwise impaired, we or our lending partners, institutional investors or warehouse lenders may face fines and penalties, and our commercial relationships may suffer, each of which would adversely affect our business and results of operations.

When establishing the interest rates and fee structures charged to borrowers on loans originated through our marketplace, our lending partners rely on federal law preemption of state law to export the interest rate requirements of their home states. We, our securitization vehicles, our institutional investors, and warehouse credit facilities similarly rely on the ability to enforce the agreed-upon loan terms following the sale or assignment of such loans. States have enacted, and may continue to enact, laws or take regulatory or enforcement actions that seek to limit interest rate exportation, challenge federal preemption, impose additional licensing requirements or otherwise restrict bank-partnership lending models.

Usury, fee and disclosure-related claims involving Upstart-powered loans may be raised through litigation, government enforcement or other challenges. Certain courts, regulators and private plaintiffs have challenged, and may continue to challenge, the enforceability of bank-originated loans following their sale or assignment to non-bank entities.

In addition, states have enacted, and may continue to enact, "true lender" or similar laws or apply regulatory or judicial tests to determine whether a non-bank platform is deemed to be the lender for purposes of state consumer lending laws. If a borrower or state authority were to successfully assert that we, rather than our lending partners, are the true lender of loans facilitated through our marketplace, such loans could be unenforceable, subject to limits on the interest that can be collected, rescission or otherwise impaired, and we or other program participants could face monetary, injunctive or other penalties.

Loans originated through Upstart's marketplace are originated in reliance on our lending partners being the "true lenders" for such loans. Their status as the originating lender determines various loan program details, including the interest rates and fees permissible at origination, since the loan terms and lending practices are set by duly chartered banks or credit unions. Because the loans facilitated by our marketplace are originated by our lending partners, many state consumer financial regulatory requirements, including state usury restrictions, licensing requirements and certain requirements under state consumer credit laws, are inapplicable to the loans, based on principles of federal preemption.

While we have taken steps to structure our programs in compliance with applicable laws and guidance, there can be no assurance that future regulatory, legislative or judicial developments will not adversely affect the enforceability or transferability of Upstart-powered loans, or the willingness of lending partners or investors to participate in our marketplace.

The collection, use, storage, sharing and other processing of personal information subjects us to privacy and data protection laws and regulations, and failures to comply could adversely affect our business.

We receive, transmit, store and otherwise process large volumes of personal information and other sensitive data from applicants and borrowers. In some cases, this information may include sensitive or biometric data as defined by applicable state law. We share personal information with lending partners and, in more limited circumstances, with institutional investors, subject to contractual, legal and regulatory requirements.

We and our lending partners are subject to a growing body of federal and state privacy and data protection laws and regulations governing the collection, use, disclosure, storage, safeguarding and other processing of personal information. These laws and regulations are evolving and subject to differing interpretations, and impose obligations relating to disclosure, consent, data security, data use, data retention, automated decision making and other aspects of data processing. For example, we are subject to privacy and data protection requirements under laws such as the Gramm-Leach-Bliley Act, which are enforced by regulators including the CFPB and the FTC, and violations may be treated as unfair or deceptive acts or practices.

Regulators have increased scrutiny of data security practices, third-party data sharing and user interface or design practices that may be viewed as unfair, deceptive or manipulative. In addition, state privacy laws, including those adopted in California and other jurisdictions, impose additional compliance obligations and have been the basis for increased regulatory enforcement and private litigation.

Our efforts to comply with current and future privacy and data protection laws and regulations could result in increased compliance, technical or operating costs and may require us to modify our data infrastructure, data processing practices or business operations. Any actual or perceived violations of these laws and regulations could result in regulatory investigations, enforcement actions and other proceedings, litigation, contractual liability with lending partners, investors, or vendors, remediation costs, reputational harm or restrictions on our ability to operate our business, which could adversely affect our business, financial condition and results of operations.

If we are deemed to be an investment company, investment adviser or broker-dealer, or if our securities-related activities fail to comply with applicable laws, our business could be materially adversely affected.

We believe that neither we nor our subsidiaries are required to register as an investment company under the Investment Company Act of 1940, as amended, because we are primarily engaged in operating an AI-based lending marketplace and providing technology and related services to lending partners. However, the SEC or its staff could disagree with our analysis, including with respect to whether loans or interests in loans held on our balance sheet constitute "investment securities."

If we were deemed to be an investment company, we could be required to institute burdensome compliance requirements and be subject to restrictions on our activities, transactions with affiliates, borrowings and capital structure, as well as additional reporting and governance obligations, any of which could materially adversely affect our business.

We also believe that neither we nor our subsidiaries are required to register as an investment adviser under the Investment Advisers Act of 1940, as amended, or as a broker-dealer under the Securities Exchange Act of 1934, as amended, based on the nature of our activities and applicable guidance. However, regulatory interpretations or guidance could change, or regulators could disagree with our positions. If we or any of our subsidiaries were required to register or notice-file as an investment adviser or broker-dealer, or otherwise become subject to such regulatory regimes, we could be required to make significant changes to our business operations, compensation structures, marketing practices or financing activities.

Certain transactions involving institutional investors or loan financing arrangements may rely on exemptions from registration under the Securities Act of 1933, as amended, including Regulation D or Section 4(a)(2). If such transactions were found not to qualify for an exemption or otherwise violate securities laws, we could be subject to rescission claims, enforcement actions, civil penalties or restrictions on future financing activities, including potential “bad actor” disqualification. Any of the foregoing could materially adversely affect our business, financial condition and results of operations.

Anti-money laundering, sanctions and anti-corruption laws could adversely affect our business.

We are subject to anti-money laundering, counter-terrorism financing, economic sanctions and anti-corruption laws and regulations, including the Bank Secrecy Act, the USA PATRIOT Act, sanctions administered by the Office of Foreign Assets Control and the Foreign Corrupt Practices Act, either directly or through our lending partners who are subject to such laws. These laws impose obligations related to borrower due diligence, transaction monitoring, recordkeeping, reporting and restrictions on dealings with sanctioned persons or jurisdictions.

Despite our compliance efforts, we cannot provide assurance that our policies, procedures and controls will be effective to prevent violations of these laws by us, our employees, agents, vendors, lending partners or other third parties. Violations or perceived violations of these laws could result in significant fines, penalties, remediation costs, contractual liability, restrictions on our activities and reputational harm, any of which could adversely affect our business, financial condition and results of operations.

RISKS RELATED TO INDEBTEDNESS

We rely on borrowings under our warehouse credit facilities and risk retention financing facilities to fund certain aspects of our operations, and any inability to meet our obligations as they come due or to comply with various covenants or representations contained in our warehouse credit facilities could harm our business.

We rely on borrowings under warehouse credit facilities and risk retention financing facilities to fund certain aspects of our operations, including financing loans and retained interests. These facilities are collateral-based and are secured by loans or securitization-related assets held by special purpose entities. Our ability to access and maintain these facilities depends on the performance and value of the underlying collateral, compliance with applicable covenants and representations, and the continued willingness of lenders to provide financing.

Our warehouse credit facilities and risk retention financing facilities contain operating and financial covenants and other requirements, and under certain circumstances lenders may reduce availability, require repayment of outstanding borrowings, impose additional conditions or terminate their commitments. If we fail to comply with these requirements or experience an event of default, we could be required to repay borrowings, post additional collateral, liquidate assets at unfavorable prices or seek alternative financing, which may be more costly or unavailable.

Any reduction, suspension or termination of these financing arrangements could limit our ability to purchase or hold loans, reduce loan origination volumes, increase our funding costs or require greater reliance on our balance sheet. If we are unable to obtain replacement financing on acceptable terms, or at all, our business, financial condition and results of operations could be adversely affected.

Corporate and asset-backed debt ratings could adversely affect our ability to support loan funding for our marketplace at attractive rates, which could negatively affect our results of operations, financial condition and liquidity.

Our unsecured senior corporate debt may be unrated or rated by a limited number of credit rating agencies. Asset-backed securities sponsored or co-sponsored by us may be rated by a limited number of credit rating agencies. Ratings assigned to us or to asset-backed securities backed by Upstart-powered loans reflect rating agencies' opinions regarding the credit performance of the underlying receivables, the ability of cash flows to service interest and repay principal, and the performance of us and other service providers under the applicable transaction documents.

Our asset-backed securities have been subject to downgrades in the past, and any future downgrade, withdrawal or non-publication of ratings could reduce investor demand, increase funding costs or otherwise limit our ability to provide liquidity or financing to our lending partners and institutional investors. The absence of a corporate debt rating, limited ratings coverage, or adverse rating actions with respect to our asset-backed securities could adversely affect our liquidity, financial condition and results of operations.

We may need to raise additional funds in the future, including through equity, equity-linked, or debt financings, to support business growth, and those funds may not be available on acceptable terms, or at all.

We may continue to make investments to support our business growth and may require additional funds to respond to business challenges, including developing new loan products, enhancing our AI models, supplementing loan funding, improving our operating infrastructure, acquiring complementary businesses or technologies, or making strategic investments. As a result, we may need to raise additional capital through equity, equity-linked or debt financings.

If we raise additional funds by issuing equity or equity-linked securities, our stockholders may experience dilution. Debt financing, if available, may involve protective provisions or covenants that restrict our operations or financial flexibility, and any financing we obtain may contain terms that are not favorable to us or our stockholders. If we are unable to obtain adequate financing on satisfactory terms when required, we may be unable to pursue certain business opportunities, respond effectively to business challenges or continue to support our business growth, which could adversely affect our business, financial condition and results of operations.

We have issued the Notes and may issue additional equity-linked or debt securities in the future. Holders of the Notes may have the right to require us to repurchase their Notes upon the occurrence of certain events, and upon conversion we may be required to make cash payments unless we elect to settle conversions solely in shares of our common stock. We are also required to repay the Notes in cash at maturity unless earlier converted, redeemed or repurchased. We may not have sufficient cash or be able to obtain financing at the times required to meet these obligations, and our ability to do so may be limited by law, regulatory authority or agreements governing our indebtedness. Any failure to meet these obligations could result in defaults or cross-defaults that adversely affect our liquidity, financial condition and results of operations.

Provisions in the Indentures governing the Notes may deter or prevent a business combination that may be favorable to you.

If a fundamental change (as defined in the applicable Indenture governing the Notes (each an "Indenture")) occurs prior to the maturity date for a series of Notes, holders of the applicable series of Notes will have the right, at their option, to require us to repurchase all or a portion of such Notes. In addition, if a make-whole fundamental change (as defined in the applicable Indenture governing the Notes) occurs prior to the maturity date of the applicable series of Notes, we may be required to increase the conversion rate for holders that elect to convert their Notes in connection with such make-whole fundamental change, in the manner specified in the applicable Indenture.

Furthermore, the Indentures restrict our ability to engage in certain mergers, consolidations or similar transactions unless, among other things, the surviving entity assumes our obligations under the Notes. These and other provisions in the Indentures could discourage, delay or prevent a third party from acquiring us or otherwise engaging in a transaction that may be favorable to our stockholders.

RISKS RELATED TO TAXES

Our ability to use our deferred tax assets to offset future taxable income may be subject to certain limitations, which may have a material impact on our result of operations.

As of March 31, 2026, we have recorded a valuation allowance to recognize only deferred tax assets that are more likely than not to be realized in the U.S. federal, state and local tax jurisdictions. We assess available positive and negative evidence to determine whether sufficient future taxable income will be generated to utilize our deferred tax assets. Certain deferred tax assets may expire unused or underutilized, which could prevent us from offsetting future taxable income.

We may also be limited in the portion of net operating losses (“NOLs”) that we can use to offset taxable income for U.S. federal and state income tax purposes. The Tax Cuts and Jobs Act made significant changes to the utilization of NOLs. In addition, under Section 382 of the Internal Revenue Code of 1986, as amended, an ownership change may limit our ability to utilize NOLs. Future changes in our stock ownership, including equity issuances, share repurchases or other transactions, could result in an ownership change for this purpose. Limitations may also apply under state and local law.

We continue to assess the realizability of our deferred tax assets, and future adjustments to our valuation allowance may be required, which could materially affect our results of operations.

Changes in tax laws could have a material adverse effect on our business, financial condition and results of operations.

We are subject to U.S. federal, state and local taxes in the jurisdictions in which we operate, and applicable tax laws and rates vary and are subject to interpretation and change. We may be subject to examination by tax authorities on income, employment, and other tax matters. Although we regularly assess the adequacy of our tax provisions, there can be no assurance that such provisions will be sufficient or will not be subject to challenge or that an adverse determination would not have a material effect on our business, financial condition and results of operations.

Further, the ultimate amount of tax payable in a given financial statement period may be impacted by changes in tax laws, interpretations, accounting rules or the geographic mix of our earnings, which could cause our tax obligations to differ materially from amounts recorded in our financial statements. As a result, our tax provision involves significant judgment and uncertainty, and fluctuations in our ultimate tax liabilities could materially affect our results of operations.

Taxing authorities may successfully assert that we should have collected or in the future should collect sales and use, gross receipts, value added or similar taxes and may successfully impose additional obligations on us, and any such assessments or obligations could adversely affect our business, financial condition and results of operations.

The application of indirect taxes, such as sales and use tax, value-added tax, digital services tax, gross receipts tax, and other similar taxes to platform and financial technology businesses is complex and evolving. Many of the statutes and regulations that impose these taxes were established before the adoption and growth of the Internet and e-commerce. Significant judgment is required to evaluate applicable tax obligations, and as a result, amounts recorded are estimates and are subject to adjustments. In many cases, the ultimate tax determination is uncertain because it is not clear how new and existing statutes might apply to our business. Proposed or newly enacted laws or interpretations regarding indirect taxes could increase our compliance obligation. Any failure by us to prepare for or comply with applicable reporting and record-keeping requirements could result in penalties and other sanctions and could adversely affect our financial condition and results of operations.

We have faced, and may face in the future, indirect tax audits in various U.S. jurisdictions. Tax authorities may challenge our calculation, reporting or collection of taxes and may require us to collect taxes in jurisdictions in which we do not currently do so or to remit additional taxes and interest, and could impose associated penalties and fees. Although we have recorded reserves for potential payments of past tax liabilities in our financial statements, a successful assertion by one or more tax authorities could result in substantial tax liabilities in excess of such reserves as well as penalties and interest, and could harm our business, financial condition and results of operations. As a result, the ultimate amount of tax obligations owed may differ from the amounts recorded in our financial statements, and any such difference may adversely impact our results of operations in future years in which we change our estimates of our tax obligations or in which the ultimate tax outcome is determined.

RISKS RELATED TO OWNERSHIP OF OUR COMMON STOCK

The trading price of our common stock may be volatile, and you could lose all or part of your investment.

The trading price of our common stock may be volatile and could fluctuate significantly in response to various factors, many of which are beyond our control. These fluctuations could cause you to lose all or part of your investment. Factors that could affect the trading price of our common stock include general market and economic conditions, volatility in the trading prices of financial technology and technology companies, changes in interest or inflation rates, a reduction in the availability of loan funding and liquidity from lending partners and institutional investors, quarterly fluctuations in demand for the loans we facilitate through our marketplace, changes in our operating performance or results of operations, sales or issuances of shares of our common stock, whether in connection with an acquisition or upon conversion of some or all of the outstanding Notes, analyst coverage or reports, announcements by us or our competitors, litigation or regulatory actions, data security incidents, changes in laws or accounting standards, developments relating to our intellectual property, market perception of our AI models, changes in the competitive landscape, and other events or factors beyond our control.

The stock market has experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of individual companies. As a result, the market price of our common stock may be affected by factors unrelated to our operating performance. In addition, securities class action litigation such as the litigation we are subject to has often been instituted following periods of market volatility, which could result in substantial costs and divert management’s attention and resources, potentially harming our business.

We cannot guarantee that our share repurchase program will be fully consummated or that it will enhance long-term shareholder value. Share repurchases could also affect the trading price of our stock, increase volatility of our stock and diminish our cash reserves.

Although our Board of Directors has authorized a share repurchase program that does not have an expiration date, the program does not obligate us to repurchase any specific dollar amount or to acquire any specific number of shares of our common stock. We cannot guarantee that the program will be fully consummated or that it will enhance long-term stockholder value. The timing and number of shares repurchased under the program will depend on a variety of factors, including stock price, trading volume, and general business and market conditions. The program could affect the trading price of our stock, increase volatility and diminish our cash reserves. Our Board of Directors will review the program periodically and may authorize adjustments of its terms if appropriate. Any announcement of a suspension or termination of this program may result in a decrease in the trading price of our stock.

The capped call transactions entered into in connection with the issuance of certain of the Notes may affect the market price of our common stock.

In connection with the issuance of certain of the Notes, we entered into privately negotiated capped call transactions with certain financial institutions as counterparties. These capped call transactions are expected generally to reduce the potential dilution to our common stock upon any conversion of the applicable Notes and/or offset any cash payments we may be required to make in excess of the principal amount of such converted Notes, as the case may be, with such reduction and/or offset subject to a cap.

From time to time, the counterparties or their respective affiliates may modify their hedge positions by entering into or unwinding various derivatives with respect to our common stock and/or purchasing or selling our common stock or other securities of ours in secondary market transactions prior to the maturity of the applicable series of Notes. This activity could also cause or prevent an increase or a decrease in the market price of our common stock.

Certain insiders have significant voting power, which could limit your ability to influence the outcome of key transactions, including a change of control.

Our directors, officers, and stockholders who own greater than 5% of our outstanding capital stock and their affiliates, in the aggregate, beneficially own a significant portion of the outstanding shares of our capital stock. As a result, these stockholders, if acting together, are able to influence matters requiring approval by our stockholders, including the election of directors and the approval of mergers, acquisitions, or other extraordinary transactions. They may also have interests that differ from yours and may vote in a way with which you disagree and which may be adverse to your interests. This concentration of ownership may have the effect of delaying, preventing or deterring a change of control, could deprive our stockholders of an opportunity to receive a premium for their common stock as part of a sale, and might ultimately affect the trading price of our common stock.

The large number of shares of our capital stock eligible or registered for public sale could depress the market price of our common stock.

The market price of our common stock could decline as a result of sales of a large number of shares of our common stock, or the perception that such sales could occur. Subject to applicable vesting conditions and compliance with our insider trading policies, shares issued upon the settlement of equity awards or other equity issuances may be available for resale in the open market. In addition, shares may be sold into the market in connection with "sell-to-cover" transactions to satisfy tax withholding obligations upon the vesting of equity awards, which could increase selling pressure on our common stock.

We may from time to time register shares for resale or issue shares in connection with financings or other transactions. We have an effective shelf registration statement on Form S-3ASR that permits us to offer and sell shares of our common stock, including through an "at-the-market" offering program. Sales of our shares could make it more difficult for us to sell equity securities in the future at times and prices that we deem appropriate, could cause the trading price of our common stock to decline, and could make it more difficult for stockholders to sell their shares.

You may be diluted by the future issuance of additional common stock in connection with our equity incentive plans, acquisitions or otherwise.

We may issue additional shares of our common stock in the future in connection with financings, acquisitions, investments, our equity incentive plans or otherwise. We expect to continue granting equity awards to employees, directors and consultants under our equity incentive plans, and we may also raise capital through equity financings in the future. Any common stock that we issue pursuant to equity incentive plans, financings or acquisitions could dilute the percentage ownership held by existing stockholders and could result in a decline in the per-share value of our common stock.

Transactions relating to the Notes may dilute the ownership interest of stockholders, or may otherwise depress the price of our common stock.

If the Notes are converted by holders, we are required under the applicable Indentures to pay or deliver, as the case may be, cash, shares of our common stock, or a combination of cash and shares of common stock, at our election. If we elect to deliver shares of common stock upon conversion of the Notes, it would dilute the ownership interests of existing stockholders. Any sales in the public market of the common stock issuable upon such conversion could adversely affect prevailing market prices of our common stock. In addition, certain holders of the Notes may engage in short selling to hedge their position in the Notes. Anticipated future issuances of shares of our common stock upon conversion of the Notes could depress the price of our common stock.

Delaware law and provisions in our amended and restated certificate of incorporation and amended and restated bylaws could make a merger, tender offer, or proxy contest difficult, thereby depressing the market price of our common stock.

Our status as a Delaware corporation and the anti-takeover provisions of the Delaware General Corporation Law may discourage, delay, or prevent a change in control by prohibiting us from engaging in a business combination with an interested stockholder for a period of three years after the person becomes an interested stockholder unless certain conditions are met, even if a change of control would be beneficial to our existing stockholders. In addition, our amended and restated certificate of incorporation and amended and restated bylaws contain provisions that may make the acquisition of our company more difficult, including the following:

- our Board of Directors is classified into three classes with staggered three-year terms and directors may only be removed for cause;
- vacancies and newly-created seats on our Board of Directors will be able to be filled only by our Board of Directors and not by stockholders;
- only the Chair of our Board of Directors, our Chief Executive Officer, our president, or a majority of our entire Board of Directors are authorized to call a special meeting of stockholders;
- certain litigation against us or our directors, stockholders, officers or employees can only be brought in Delaware;
- advance notice procedures apply for stockholders to nominate candidates for election as directors or to bring matters before an annual meeting of stockholders; and
- any amendment of the above anti-takeover provisions in our amended and restated certificate of incorporation or amended and restated bylaws will require the approval of at least 66 2/3% of the combined voting power of our then-outstanding shares of our capital stock.

These anti-takeover defenses could discourage, delay, or prevent a transaction involving a change in control of our company. These provisions could also discourage proxy contests and make it more difficult for stockholders to elect directors of their choosing and to cause us to take other corporate actions they desire, any of which, under certain circumstances, could limit the opportunity for our stockholders to receive a premium for their shares of our capital stock, and could also affect the price that some investors are willing to pay for our common stock.

Our amended and restated bylaws designate a state or federal court located within the State of Delaware (or any federal district court for Securities Act claims) as the exclusive forum for substantially all disputes between us and our stockholders, which could limit our stockholders' ability to choose the judicial forum for disputes with us or our directors, officers or employees.

Our amended and restated bylaws provide that, unless we consent in writing to the selection of an alternative forum, to the fullest extent permitted by law, the sole and exclusive forum for (i) any derivative action or proceeding brought on our behalf, (ii) any action asserting a claim of breach of a fiduciary duty owed by any of our directors, stockholders, officers, or other employees to us or our stockholders, (iii) any action arising pursuant to any provision of the Delaware General Corporation Law, our amended and restated certificate of incorporation, or our amended and restated bylaws, or (iv) any other action asserting a claim that is governed by the internal affairs doctrine shall be the Court of Chancery of the State of Delaware (or, if the Court of Chancery does not have jurisdiction, another state court in Delaware or the federal district court for the District of Delaware), in all cases subject to the court having jurisdiction over the claims at issue and the indispensable parties; provided that the exclusive forum provision will not apply to suits brought to enforce any liability or duty created by the Exchange Act.

Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all such Securities Act actions. Accordingly, both state and federal courts have jurisdiction to entertain such claims. To prevent having to litigate claims in multiple jurisdictions and the threat of inconsistent or contrary rulings by different courts, among other considerations, our amended and restated bylaws also provide that, unless we consent in writing to the selection of an alternative forum, the federal district courts of the United are the sole and exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act. Although we believe these provisions are enforceable, there is uncertainty as to whether a court would enforce such forum-selection provisions, and if a court were to find them unenforceable, we could incur additional costs associated with resolving disputes in other jurisdictions.

Any person or entity purchasing, holding or otherwise acquiring any interest in any of our securities shall be deemed to have notice of and consented to this provision. This exclusive-forum provision may limit a stockholder's ability to bring a claim in a judicial forum of its choosing for disputes with us or our directors, officers, or other employees, which may discourage lawsuits against us and our directors, officers, and other employees. This exclusive forum provision does not apply to any causes of action arising under the Exchange Act or any other claim for which the federal or other courts have exclusive jurisdiction. If a court were to find either of the exclusive-forum provisions in our amended and restated bylaws to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving the dispute in other jurisdictions, which could harm our results of operations.

Our common stock market price and trading volume could decline if equity or industry analysts do not publish research or publish inaccurate or unfavorable research about our business.

The trading market for our common stock will depend in part on the research and reports that equity or industry analysts publish about us or our business. The analysts' estimates are based upon their own opinions and are often different from our estimates or expectations. If one or more of the analysts who cover us downgrade our common stock or publish inaccurate or unfavorable research about our business, the price of our securities would likely decline. If few securities analysts commence coverage of us, or if one or more of these analysts cease coverage of us or fail to publish reports on us regularly, demand for our securities could decrease, which could cause the price and trading volume of our common stock to decline.

We do not intend to pay dividends for the foreseeable future.

We have never declared nor paid cash dividends on our capital stock. We currently intend to retain any future earnings to finance the operation and expansion of our business, as well as to fund our share repurchase program, and we do not expect to declare or pay any dividends in the foreseeable future. In addition, the terms of our corporate debt agreements may preclude us from paying dividends. As a result, capital appreciation of our common stock, if any, will be the only way for stockholders to realize any future gains on their investment for the foreseeable future.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Issuer Purchases of Equity Securities

The following table presents information regarding repurchases of our common stock during the three months ended March 31, 2026:

Period	Total Number of Shares Purchased[(1)]	Average Price Paid per Share[(2)]	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs
	(In thousands, except share and per share amounts)			
January 1, 2026 through January 31, 2026	—	$ —	—	$ 222,117
February 1, 2026 through February 28, 2026	3,193,294	31.31	3,193,294	122,061
March 1, 2026 through March 31, 2026	—	—	—	122,061
Total	3,193,294		3,193,294	$ 122,061

(1) In February 2022, the Board of Directors authorized a share repurchase program to purchase up to $400.0 million of the Company's common stock. Repurchases under the program may be executed from time to time through open market purchases, in privately negotiated transactions or by other means, including through the use of trading plans intended to qualify under Rule 10b5-1. The repurchase program does not obligate the Company to acquire any particular amount of common stock, has no expiration date, and may be modified, suspended or terminated at any time at the Company's discretion. See "*Note 9. Stockholders' Equity*" in Part I, Item 1 of this Quarterly Report on Form 10-Q for details related to the share repurchase program.
(2) Average price paid per share excludes commission costs associated with the repurchases. Amounts presented exclude excise tax accrual.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

Not applicable.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

(c) Securities Trading Plans of Executive Officers and Directors

From time to time, some of the Company's executive officers or directors may enter into trading plans that are designed to comply with the Company's Insider Trading Policy and intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) of the Securities Exchange Act of 1934, as amended (the "Exchange Act").

During the quarter ended March 31, 2026, the following director and officer (as defined in Rule 16a-1(f) of the Exchange Act) of the Company terminated a "Rule 10b5-1 trading arrangement" (as defined under Item 408(a) of Regulation S-K).

Name and title of director and officer: Dave Girouard, Former Chief Executive Officer, Executive Chairman
Date of termination: March 6, 2026
Duration of the trading arrangement: Through December 31, 2026 or earlier if all transactions under the trading arrangement are completed
Aggregate number of securities to be sold from time to time: up to 1,576,000 shares, including shares issuable upon the exercise of outstanding options upon reaching the pricing targets defined in the trading arrangement.

None of the Company's other officers or directors adopted, modified, or terminated a "Rule 10b5-1 trading arrangement" or adopted, modified, or terminated a "non-Rule 10b5-1 trading arrangement" (as defined under Item 408(a) of Regulation S-K) during the quarter ended March 31, 2026.

ITEM 6. EXHIBITS

The exhibits listed below are filed as part of this Quarterly Report on Form 10-Q or are incorporated herein by reference, in each case as indicated below.

EXHIBIT INDEX

			Incorporated by Reference		
Exhibit Number	Description	Form	File No.	Exhibit	Filing Date
10.1+*	Employment Offer Letter between Upstart Network, Inc. and Andrea Blankmeyer.				
31.1*	Certification of Principal Executive Officer pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				
31.2*	Certification of Principal Financial Officer pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				
32.1*#	Certifications of Principal Executive Officer and Principal Financial Officer pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.				
101.INS*	Inline XBRL Instance Document				
101.SCH*	Inline XBRL Taxonomy Extension Schema Document				
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document				
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document				
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document				
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document				
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)				

* Filed herewith.

\+ Indicates management contract or compensatory plan.

\# The certifications attached as Exhibit 32.1 that accompany this Quarterly Report on Form 10-Q are not deemed filed with the Securities and Exchange Commission and are not to be incorporated by reference into any filing of the Registrant under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, whether made before or after the date of this Quarterly Report on Form 10-Q, irrespective of any general incorporation language contained in such filing.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Upstart Holdings, Inc.
(Registrant)

Date: May 5, 2026	By:	/s/ Paul Gu
		Paul Gu
		Chief Executive Officer and Director
		(Principal Executive Officer)
Date: May 5, 2026	By:	/s/ Andrea Blankmeyer
		Andrea Blankmeyer
		Chief Financial Officer
		(Principal Financial Officer)

Exhibit 10.1

Andrea Blankmeyer
[***]

Dear Andrea:

Upstart Network, Inc., a Delaware corporation (the "Company"), is pleased to offer you employment with the Company on the terms described below.

1. Position. You will start in a full-time position initially reporting to the Chief Executive Officer. When you join the Company, we will recommend to the Board of Upstart Holdings, Inc., the parent company of the Company ("Upstart"), that you be appointed the Chief Financial Officer of Upstart. By signing this letter, you confirm with the Company that you are under no contractual or other legal obligations that would prohibit you from performing your duties with the Company and Upstart.

2. Compensation and Employee Benefits. You will be paid a starting salary at the rate of $450,000.00 per year, payable on the Company's regular payroll dates. You will be eligible to earn a target discretionary bonus in 2026 of 75% based on company and individual performance. You will also be an "Eligible Employee" at the Tier 2 level under Upstart's Executive Change in Control and Severance Policy (the "Severance Policy"), and your Participation Agreement under such Policy is attached hereto as Exhibit A. In addition, notwithstanding anything in this offer letter, the other terms of your employment or any Company policies, if you are subject to a Non-CIC Qualified Termination at any time, you will be eligible to receive the applicable Salary Severance and COBRA Benefit set forth below upon a Non-CIC Qualified Termination. A Non-CIC Qualified Termination is a termination of your employment either (x) by the Company without Cause (as defined in the Severance Policy, excluding by reason of your death or Disability) or (y) by you for Good Reason (as defined in the Severance Policy), in either case, outside of the Change in Control Period (as defined in the Severance Policy).

- Salary Severance: 12 months, provided that if such Non-CIC Qualified Termination occurs in the first 12 months of your employment such Salary Severance will be 6 months.
- COBRA Benefit: 12 months, provided that if such Non-CIC Qualified Termination occurs in the first 12 months of your employment such COBRA Benefit will be 6 months.

3. Equity

Restricted Stock Units. You will be recommended for a grant of restricted stock units ("RSUs") for shares of Upstart's common stock, with an economic value of $5,000,000.00 (the

“RSU Economic Value”) to be calculated as follows: if approved by Upstart’s Compensation Committee of its Board of Directors (the “Compensation Committee”), you will receive a number of RSUs, rounded up to the nearest unit, equal to the RSU Economic Value divided by the average closing price of Upstart’s common stock on the NASDAQ Global Select Market during a thirty (30) trading day period prior to the date of grant. Subject to your continued employment, your RSUs will be earned on a four-year quarterly vesting schedule with 40% vesting over the first four (4) quarters after your vesting commencement date, 30% vesting over the next four (4) quarters, 20% vesting over the next four (4) quarters, and 10% vesting over the final four (4) quarters. For the avoidance of doubt, your first quarterly vesting event shall occur at least forty-five (45) days after your start date. Your RSUs will be subject to the terms and conditions applicable to RSUs granted under the applicable stock plan, as described in that plan and the applicable RSU agreement, which you will be required to sign.

Performance-Based Restricted Stock Units. You will be recommended for a grant of performance-based restricted stock units (“PRSUs”) for shares of Upstart’s common stock with an economic value of $6,000,000.00 (the “PRSU Economic Value”). The PRSU Economic Value will be converted into a number of PRSU shares based on the same methodology used for the RSU conversion described above and that number of shares will be your Target PRSUs. Your PRSUs will be subject to the terms and conditions applicable to PRSUs granted under the applicable stock plan, as described in that plan and the applicable PRSU agreement, which you will be required to sign. Your PRSUs will be eligible to vest in the first quarter of 2030 based on the 4-year relative total stockholder return of Upstart as compared to the companies in the F-Prime Fintech Index at the end of the first thirty (30) trading days of 2026 who remain constituents of that index through the performance period (the “rTSR Peer Group”). The performance period for measuring TSR is the period beginning on the date of grant for the PRSUs and ending on the 30th trading day in 2030.

PRSUs will be eligible to vest on the following scale, subject to modifiers:

Percentile Rank	Payout as Percent of Target PRSUs
100th	300%
55th	100%
25th	50%
Less than 25th	0%

If our Absolute TSR CAGR is negative for the performance period, or our Revenue CAGR or EBITDA CAGR is negative for the period 2026 through 2029, the maximum payout will be capped at 75% of the Target PRSUs. If (i) our Absolute TSR CAGR is greater than 12% or (ii) both Revenue CAGR and EBITDA CAGR is greater than 30% over the same periods, the minimum payout will be 75% of the Target PRSUs.

Ongoing Equity Grants. You will be eligible for a discretionary annual equity refresh grant with a target economic value of $3,500,000 split between RSUs and PRSUs as follows: the RSUs and PRSUs shall comprise four-sevenths (4/7ths) and three-sevenths (3/7ths) of the grant, respectively. The actual value and proportion of RSUs and PRSUs of the refresh grant may vary based on company and individual performance.

4. Confidential Information and Invention Assignment Agreement. Like all Company employees, you will be required, as a condition of your employment with the Company, to sign the Company's enclosed standard Confidential Information and Invention Assignment Agreement.

5. Employment Relationship. Employment with the Company is for no specific period of time. Your employment with the Company will be "at will," meaning that either you or the Company may terminate your employment at any time and for any reason, with or without cause. Any contrary representations, which may have been made to you are superseded by this offer. This is the full and complete agreement between you and the Company on this term. Although your job duties, title, compensation, as well as the Company's personnel policies and procedures, may change from time to time, the "at will" nature of your employment may only be changed in an express written agreement signed by you and the Company's Chief Executive Officer.

6. Outside Activities. While you render services to the Company, you agree that you will not engage in any other employment, consulting or other business activity without the written consent of the Company. In addition, while you render services to the Company, you will not assist any person or entity in competing with the Company, in preparing to compete with the Company or in hiring any employees or consultants of the Company.

7. Withholding Taxes. All forms of compensation referred to in this letter are subject to applicable withholding and payroll taxes.

8. Attorney Fee Reimbursement. The Company will reimburse you for reasonable attorneys' fees and costs incurred in connection with the review of this offer letter, subject to submission of appropriate documentation. Reimbursement will be made in accordance with the Company's standard expense policies and within a reasonable period following receipt of proper documentation.

9. Entire Agreement. This letter supersedes and replaces any prior understandings or agreements, whether oral, written or implied, between you and the Company regarding the matters described in this letter.

If you wish to accept this offer, please sign and date both the enclosed duplicate original of this letter and the enclosed Confidential Information and Invention Assignment Agreement and return them to me. As required, by law, your employment with the Company is also contingent upon your providing legal proof of your identity and authorization to work in the United States.

Sincerely,

UPSTART NETWORK, INC.

/s/ Dave Girouard

Dave Girouard, Chief Executive Officer

ACCEPTED AND AGREED:

Name: Andrea Blankmeyer

Signature: /s/ Andrea Blankmeyer

Anticipated Start Date: March 16, 2026

Exhibit A:

Executive Change in Control and Severance Policy
Participation Agreement

This Participation Agreement ("Agreement") is made and entered into by and between Andrea Blankmeyer on the one hand, and Upstart Holdings, Inc. (the "Company") on the other.

You have been designated as eligible to participate in the Company's Executive Change in Control and Severance Policy (the "Policy"), a copy of which is attached hereto, pursuant to which you are eligible to receive the applicable Salary Severance, COBRA Benefit, Equity Benefits and Bonus Severance in the amounts set forth below upon a Qualified Termination, subject to the terms and conditions of the Policy. Capitalized terms used but not defined in this Agreement have the meanings given to them in the Policy.

- Salary Severance: 12 months
- COBRA Benefit: 12 months
- Equity Benefits: 100%
- Bonus Severance: 100% of applicable target bonus, provided that such Bonus Severance will be subject to the proration set forth in Section 6(i) of the Policy.

(a) You agree that the Policy and the Agreement constitute the entire agreement of the parties hereto and supersede in their entirety all prior representations, understandings, undertakings or agreements (whether oral or written and whether expressed or implied) of the parties, and will specifically supersede any change in control severance and/or change in control provisions of any offer letter, employment agreement, or equity award agreement entered into between you and the Company.

(b) This Agreement may be executed in counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

By its signature below, each of the parties signifies its acceptance of the terms of the Policy, in the case of the Company by its duly authorized officer effective as of the last date set forth below.

UPSTART HOLDINGS, INC.

By: /s/ Dave Girouard

Dave Girouard, Chief Executive Officer

ELIGIBLE EMPLOYEE

By: /s/ Andrea Blankmeyer

Andrea Blankmeyer

Exhibit 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO
EXCHANGE ACT RULES 13a-14(a) AND 15d-14(a),
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Paul Gu, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Upstart Holdings, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 5, 2026

UPSTART HOLDINGS, INC.

By:	/s/ Paul Gu
Name:	Paul Gu
Title:	Chief Executive Officer (Principal Executive Officer)

Exhibit 31.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO
EXCHANGE ACT RULES 13a-14(a) AND 15d-14(a),
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Andrea Blankmeyer, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Upstart Holdings, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 5, 2026

UPSTART HOLDINGS, INC.

By:	/s/ Andrea Blankmeyer
Name:	Andrea Blankmeyer
Title:	Chief Financial Officer (Principal Financial Officer)

Exhibit 32.1

CERTIFICATIONS OF PRINCIPAL EXECUTIVE OFFICER AND PRINCIPAL FINANCIAL OFFICER PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Paul Gu, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report on Form 10-Q of Upstart Holdings, Inc. for the quarter ended March 31, 2026 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in such Quarterly Report on Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of Upstart Holdings, Inc.

Date: May 5, 2026	By:	/s/ Paul Gu
	Name:	Paul Gu
	Title:	Chief Executive Officer
		(Principal Executive Officer)

I, Andrea Blankmeyer, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report on Form 10-Q of Upstart Holdings, Inc. for the quarter ended March 31, 2026 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in such Quarterly Report on Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of Upstart Holdings, Inc.

Date: May 5, 2026	By:	/s/ Andrea Blankmeyer
	Name:	Andrea Blankmeyer
	Title:	Chief Financial Officer
		(Principal Financial Officer)